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June, 2008

Dear Applicant:

We at the Office of Rural Community Affairs (ORCA) are pleased to provide you with a copy of the Texas Community Development Block Grant Program Application and Guide for the **2008 Disaster Relief Fund** and **Urgent Need Fund**. Please note that this version of the general application guide has been condensed somewhat and therefore contains only those sections deemed necessary to make a determination of the applicant's eligibility to apply for Disaster Relief or Urgent Need funds. There were some minor changes made in the 2007 program year, so please review this application guide before beginning preparation of an application for CDBG funds.

The Office of Rural Community Affairs (ORCA) has been created to develop policies addressing the needs of rural Texans and to improve the quality of life in small communities through the Texas Community Development Block Grant Program; through rural health care programs; and through training and technical assistance to local government officials. We are pleased to be able to provide this much needed assistance throughout the State of Texas.

Questions and comments about this guide or any other aspect of the Texas Community Development Block Grant Program should be addressed to the following location:

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Street Address:	1700 N. Congress, Suite 220- Austin, Texas 78701
Telephone Number:	512-936-6701
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I look forward to working with you to provide assistance to those residents of Texas who are in need of the services and facilities eligible under this program.

Sincerely,

Mark Wyatt, Director
Community Development

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Program requirements, are subject to disqualification**

SECTION 1 - PROCEDURES

OVERVIEW

The U.S. Congress created the Community Development Block Grant (CDBG) Program in 1974. The program funding is divided into two major categories:

- **entitlement** (cities over 50,000 and qualifying counties over 200,000 in population), and
- **nonentitlement** (cities under 50,000 in population and counties not eligible for entitlement status)

In Texas, there are 62 entitlement cities, 9 entitlement counties, and approximately 1,260 nonentitlement cities and counties. Entitlement cities and counties receive an annual allocation of funds for eligible activities, whereas nonentitlement cities and counties generally compete for statewide funding on an annual basis.

The central purposes of the CDBG program, as stated by the Congressional objectives of the Housing and Community Development Act of 1974 (as amended), are the following:

- **to primarily benefit persons of low and moderate income,**
- **to aid in the elimination of slums and blight , and**
- **to meet other community development needs of a particular urgency that pose a serious and immediate threat to the health and safety of the public**

Congress also further defined the eligible CDBG program activities that could be funded under this program, which generally fall under the three categories of public facilities, housing and economic development.

In 1981 Congress passed the Omnibus Budget Reconciliation Act giving States the option of administering the nonentitlement portion of the CDBG program.

Texas assumed administration of the nonentitlement Community Development Block Grant program in 1983 and the program became known as the Texas Community Development Program (TXCDBG).

The Office of Rural Community Affairs (ORCA) was created during the 77th State of Texas Legislative Session and ORCA is responsible for the administration of the Texas Community Development Program. [Program was previously administered by the Texas Department of Housing and Community Affairs (TDHCA)]. The Texas Capital Fund is administered by the Texas Department of Agriculture (TDA) through an interagency agreement with ORCA. [The Texas Capital Fund was previously administered by the Texas Department of Economic Development (TDED) through an interagency agreement.]

CONSOLIDATED PLAN

The 2008 One-Year Action Plan illustrates the combined actions of the Texas Department of Housing and Community Affairs (TDHCA), Office of Rural Community Affairs (ORCA) and Department of State Health Services (DSHS), referred to collectively as “the State.” In particular, this action plan addresses the priority needs and specific objectives identified in the *2005-2009 State of Texas Consolidated Plan*. The Consolidated Plan covers the State’s administration of the HOME Investment Partnerships Program (HOME), Emergency Shelter Grants Program (ESG), Community Development Block Grant Program (CDBG), and the Housing Opportunities for Persons with AIDS Program (HOPWA).

The complete Texas’ Consolidated Plan includes a Citizen Participation Plan, a Housing and Homeless Needs Assessment, a Housing Market Analysis, a Strategic Plan, an Action Plan section (with one-year Action Plans for the CDBG, HOME, ESG and HOPWA programs), and Certifications. The Action Plans for the four programs and the Certifications must be submitted to HUD annually.

2008 CDBG ACTION PLAN

(Changes relative to Disaster Relief Fund & Urgent Need Fund)

Title 10, Part 6, Chapter 255, Rule 255.5 Disaster Relief Fund

The provisions of this §255.5 amended to be effective May 4, 2004, 29 TexReg 4144. Starting with the **2004** TXCDBG program year, TXCDBG Disaster Relief Funds will not be provided under the Federal Emergency Management Agency's Hazard Mitigation Grant Program (HMGP) unless ORCA receives satisfactory evidence **that any property to be purchased was not constructed or purchased by the current owner after the property site location was officially mapped and included in a designated flood plain area.** Additionally, in disaster relief situations, the TXCDBG dollars are to be viewed as gap financing or funds of last resort. In other words, **the community may only apply to ORCA for funding of those activities for which local funds are not available, i.e., the entity has less than six months of unencumbered reserve funds available in its balance as evidenced by the last available audit as required by state statute, or assistance from other sources is not available.**

In **2005**, the **Urgent Need Fund** was reactivated after a long moratorium; however, the funds allocated for the DR fund are not shared with the Urgent Need Fund. An allocation of \$1 million was set aside from deobligated funds for urgent need situations in that year only.

The State of Texas adopted new annual action plans for the CDBG Program, HOME Program, ESG Program and the HOPWA Program for the 2008 program year. Additional public hearings were held prior to the final adoption of the 2008 annual action plans. The 2007 program year changes that have already been adopted for the Community Development Fund, Planning and Capacity Building Fund, Community Development Supplemental Fund, Non-Border Colonia Fund, Colonia Construction Fund and other TXCDBG fund categories were incorporated into the 2008 CDBG Annual Action Plan.

2008 FUND CATEGORIES

Nine funding categories were proposed during the public hearings for the 2008 Texas Community Development Program. The TXCDBG fund categories included in this application guide are adopted for the 2008 program year. The State of Texas 2008 CDBG allocation is \$71,779,088 and the percentages shown below are based on the State's 2008 CDBG allocation.

<u>FUND CATEGORY</u>	<u>PERCENT</u>	<u>AMOUNT</u>
1. Community Development Fund	40.00	\$ 28,711,635
2. Community Development Supplemental Fund	21.10	\$ 15,145,388
3. Non-Border Colonia Fund	0.61	\$ 437,852
4. Texas Capital Fund	14.51	\$ 10,415,146
5. Colonia Fund	12.50	\$ 8,972,386
6. Planning and Capacity Building Fund	0.90	\$ 646,012
7. Disaster Relief	4.10	\$ 2,942,943
8. Urgent Need Fund *	0.00	\$ 0
9. TXCDBG STEP Fund	3.14	\$ 2,253,863

* Deobligated funds and/or program income sufficient to replenish to \$1,000,000 is made available for the Urgent Need Fund on the first day of PY 2008. Based on a TXCDBG Program determination of respective demand for financial assistance under the Urgent Need and Disaster Need portions of the Disaster Relief/Urgent Need Fund, Urgent Need funds may be used for Disaster Need projects.

DISASTER RELIEF/URGENT NEED FUND

Disaster Relief assistance is available through this fund as needed for eligible activities in relief of disaster situations where either the Governor has proclaimed a state disaster declaration or has requested a federal disaster declaration. Depending on the nature and extent of the damage caused by the natural disaster, priority for the use of TXCDBG funds is the restoration of basic human needs such as water and sewer facilities, housing and roads.

Urgent Need assistance is contingent upon the availability of funds for activities that will restore *water* or *sewer* infrastructure whose sudden failure has resulted in either death, illness, injury or pose an imminent threat to life or health within the affected applicant's jurisdiction. The infrastructure failure must not be the result of a lack of maintenance and must be unforeseeable. An application for Urgent Need assistance will not be accepted by the TXCDBG until discussions between the potential applicant and representatives of the TXCDBG, the Texas Commission on Environmental Quality (TCEQ), and the Texas Water Development Board (TWDB) have taken place. Through these discussions, a determination shall be made whether the situation meets TXCDBG Urgent Need threshold criteria; whether shared financing is possible; whether financing for the necessary improvements is, or is not, available from the TWDB; or that the potential applicant does, or does not, qualify for TWDB assistance. If TXCDBG funds are still available, a potential applicant that meets these requirements will be *invited* to submit an application for Urgent Need funds.

To qualify for Disaster Relief funds:

- The situation addressed by the applicant must be both unanticipated and beyond the control of the local government.
- The problem being addressed must be of recent origin. For disaster recovery activities in response to a Presidential or Governor's declaration, this means that the application must be submitted no later than 12 months from the date of the Presidential or Governor's declaration. For approved FEMA Hazard Mitigation activities related to a Governor's request, this means that the application for assistance must be submitted no later than 12 months from the date of the Presidential or Governor's declaration.
- Under Disaster Relief, funds will not be provided under FEMA's Hazard Mitigation Grant Program unless ORCA receives satisfactory evidence that the property to be purchased was not constructed or purchased by the current owner after the property site location was officially mapped and included in a designated flood plain area.
- Each applicant for these funds must demonstrate that adequate local funds are not available, i.e., the entity has less than six months of unencumbered general operations funds available in its balance as evidenced by the last available audit required by state statute, or funds from other state or federal sources are not available to completely address the problem.
- The distribution of these funds will be coordinated with other state agencies.

To qualify for Urgent Need funds:

- The situation addressed by the applicant must not be related to a proclaimed state disaster declaration or a federal disaster declaration.
- The situation addressed by the applicant must be both unanticipated and beyond the control of the local government.
- The problem being addressed must be of recent origin. For Urgent Need Assistance, this means that the situation first occurred or was first discovered no more than **30 days** prior to the date that the potential applicant provides a written request to the TXCDBG for Urgent Need assistance.
- Each applicant for these funds must demonstrate that local funds or funds from other state or federal sources are not available to completely address the problem.
- The distribution of these funds will be coordinated with other state agencies.
- The infrastructure failure cannot have resulted from a lack of maintenance.

- Urgent Need funds cannot be used to restore infrastructure that has been cited previously for failure to meet minimum state standards.
- The infrastructure failure cannot have been caused by operator error.
- The infrastructure requested by the applicant cannot include back-up or redundant systems.

Construction on an Urgent Need fund project must begin with ninety (90) days from the start of the TXCDBG contract. The TXCDBG reserves the right to deobligate the funds under an Urgent Need Fund contract if the grantee fails to meet this requirement.

Each applicant for Urgent Need funds must provide matching funds. If the applicant's 2000 Census population is equal to or fewer than 1,500 persons, the applicant must provide matching funds equal to 10 percent of the TXCDBG funds requested. If the applicant's 2000 Census population is over 1,500 persons, the applicant must provide matching funds equal to 20 percent of the TXCDBG funds requested. For county applications where the beneficiaries of the water or sewer improvements are located in unincorporated areas, the population category for matching funds is based on the number of project beneficiaries.

**ONLY DISASTER RELIEF/URGENT NEED FUNDS ARE CONTAINED IN THIS
APPLICATION GUIDE**

This application guide contains only the procedures and application package needed for the Disaster Relief and Urgent Need Funds during the 2008 program year.

The 2008 Program Year Disaster Relief Funds and Urgent Need Funds have no application deadlines, with each fund following its own procedures. Funds are available as needed until funds are depleted.

Questions concerning the Disaster Relief Fund and Urgent Need Fund, requests for more information or for copies of the application guide should be directed to the attention of:

**Office of Rural Community Affairs
Texas Community Development Program**

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PART I - GOALS AND OBJECTIVES - ELIGIBLE APPLICANTS - ELIGIBLE ACTIVITIES PRIMARY BENEFICIARIES - APPLICATION SUBMISSION REQUIREMENTS

GOALS AND OBJECTIVES

The goal of the Texas Community Development Block Grant Program is the development of viable communities by providing decent housing and a suitable living environment and by expanding economic opportunities, principally for persons of low and moderate income.

The objectives of the Texas Community Development Block Grant Program are:

1. To improve public facilities to meet basic human needs, principally for low and moderate income persons.
2. To improve housing conditions, principally for persons of low and moderate income.
3. To expand economic opportunities by creating or retaining jobs, principally for low and moderate income persons.
4. To provide assistance and public facilities to eliminate conditions hazardous to the public health and of an emergency nature.

ELIGIBLE APPLICANTS AND LOCATIONS

Eligible applicants are **nonentitlement "units of general local government", incorporated cities and counties that are not participating or designated as eligible to participate in the entitlement portion of the federal Community Development Block Grant Program.** Non-entitlement cities that are not participating in urban county programs through existing participation agreements are eligible applicants (unless the city's population is counted towards the urban county CDBG allocation).

While non-entitlement units of general local government are the only eligible applicants for TXCDBG funding, these applicants can choose to submit applications that will provide benefits through other subrecipient groups serving the jurisdiction.

As an example, a county could submit an application for water distribution line improvements to a water system that is owned and operated by a public utility district. The improvements themselves would become the property of the public utility district, but the programmatic and fiscal compliance responsibilities would remain with the applicant (the county).

Only projects or activities located in the nonentitlement areas of the State are eligible for funding under the Texas Community Development Program.

NATIONAL PROGRAM OBJECTIVES

All proposed activities must meet at least one of the three national program objectives:

1. Principally benefit low and moderate income persons. (At least fifty-one percent (51%) of the identified beneficiaries must have an income of less than 80% of the area median family income.) Further guidance for identifying beneficiaries and low/moderate income persons is included in **Appendix II**.
2. Aid in the prevention or elimination of slum or blighted areas. (Additional information about slum or blighted areas is included **on Page 19 and in Appendix II of this Application Guide.**)
3. Meet other community development needs of particular urgency that represent an immediate threat to the health and safety of residents of the community. **(NOTE: Disaster Relief and Urgent Need projects are eligible under this national objective).**

ELIGIBLE ACTIVITIES

Descriptions of eligible activities under the TXCDBG are located in Section 105(a) of the federal Housing and Community Development Act of 1974 in **Appendix I** of this Application Guide. Activities eligible under the Disaster Relief and Urgent Need Funds are the same as those under the TXCDBG. The following are examples of disaster recovery activities most often funded under the Disaster Relief Fund (**unless they are reimbursed by FEMA in a Federal declaration**) :

- A. Assistance with match requirements associated with FEMA Public Assistance (PA) (Categories **A, C-G**), Hazard Mitigation Grant Program (HMGP), Natural Resources Conservation Service (NRCS), Texas Department of Transportation (TxDOT), or other aid programs associated with this disaster only. (*Match for HMGP is reserved only for applicants that are part of a declared disaster*). (*FEMA Project Worksheets [PWs] or NRCS Contract Agreements must be included*).
- B. Demolition/clearance associated with a buyout project and reconstruction of damaged property posing an immediate threat to public safety (**not otherwise addressed by FEMA**);
- C. Emergency construction, reconstruction, or installation of public facilities such as water and sewer facilities, street improvements, drainage/flood control improvements, solid waste disposal facilities, and other publicly-owned utilities (**if not completely covered by FEMA**) (*FEMA or DEM PWs must be included*);
- D. Acquisition of real property located in the floodplain or acquisition of property to be used for the provision of eligible TXCDBG activities
- E. Housing assistance activities not provided by FEMA, SBA, or TDHCA.
- F. Pre-agreement cost reimbursement may be considered for some early project costs for emergency measures, and permanent repairs, if the locality has requested such consideration in writing and has received prior approval from ORCA. *However, all eligible project costs, other than pre-agreement costs, shall be submitted for reimbursement by the locality prior to pre-agreement cost reimbursement requests.*

Listings of eligible and ineligible public facilities improvements, housing assistance, and other activities are included in **Appendix I**. TXCDBG staff review all proposed project activities to determine their eligibility. If a locality is considering an activity that is not described in **Appendix I**, the locality should contact TXCDBG staff early in the application process to determine the eligibility of the activity.

INELIGIBLE ACTIVITIES

In general, any type of activity not described or referred to in Section 105(a) of the Housing and Community Development Act of 1974, as amended, is ineligible for consideration for TXCDBG funding. Specific activities that are ineligible under any of the Texas Community Development Block Grant Program Funds include:

- A. Construction of buildings and facilities used for the general conduct of government** (e.g., city halls and courthouses), except for handicapped accessibility improvements.
- B. The financing of political activities.**
- C. Purchase of construction equipment** (except in limited circumstances under the STEP program).
- D. Income payments**, such as housing allowances.
- E. New housing construction**, except under the following limited circumstances:
 - The TXCDBG funds are used by a subrecipient neighborhood-based nonprofit organization or nonprofit organizations that serve the development needs of a nonentitlement community or communities. These entities may be selected by the applying eligible applicant to carry out the construction of new housing that the eligible applicant has determined is necessary or appropriate to achieve its community development activities. (Additional information and requirements concerning the eligibility of affordable new housing is included in **Appendix I**.)
 - Last resort replacement housing when individuals are displaced by TXCDBG-funded activities.

- Reconstruction of housing on the same site that is owned and occupied by low and moderate income persons where the need for reconstruction was not determinable until after TXCDBG-funded housing rehabilitation began on the structure.

F. Most operation and maintenance expenses. (A description of what constitutes maintenance for each type of activity [e.g., water system improvements, road improvements, etc.] is provided in **Appendix I.**)

INELIGIBLE ACTIVITIES SPECIFIC TO DISASTER RELIEF PROJECTS

- A.** Disaster Relief funds cannot be requested for construction of public facilities that did not exist prior to the disaster. *Some mitigation* improvements may be approved based on an engineer's recommendation.
- B.** Disaster Relief funds cannot be requested to address a short-term solution to a problem; **only long-term**.
- C.** Disaster Relief funds cannot be requested for the reimbursement of manpower costs already expended with early temporary repairs. These costs are generally associated with federal declarations (FEMA grants).
- D.** Disaster Relief funds are funds of *last resort*. Other sources, such as the Texas Water Development Board, USDA Rural Development, Army Corps of Engineers, Natural Resources Conservation Service, or any of the other TXCDBG funds during an application window, should also be contacted, especially if it is determined that *mitigation* efforts are necessary and it will take more than the Disaster Relief Fund ceiling of \$350,000 to resolve the problem.

PRIMARY BENEFICIARIES

The primary beneficiaries of the Texas Community Development Block Grant Program are **low to moderate income persons**. Low to moderate income families are those earning less than eighty percent (80%) of the area median family income figure (where the area is a metropolitan statistical area or a non-metropolitan county) or less than eighty percent of the statewide non-metropolitan median family income figure, as defined under the HUD Section 8 Housing Assistance Program. **(Additional guidance for identifying the beneficiaries of TXCDBG eligible activities is provided in Appendix II of this Application Guide.)**

APPLICATION SUBMISSION REQUIREMENTS BY FUND CATEGORY

An eligible applicant cannot simultaneously submit applications under the Disaster Relief Fund, the Urgent Need Fund or other TXCDBG Funds for substantially the same project.

DISASTER RELIEF/URGENT NEED FUND

An eligible applicant can submit a Disaster Relief (DR) or Urgent Need (UN) application at any time during the 2008 program year pending availability of funds and following the appropriate fund procedures.

To qualify for Disaster Relief funds:

- The situation addressed by the applicant must be both unanticipated and beyond the control of the local government.
- The problem being addressed must be of recent origin. **Disaster Relief** applications will be due to ORCA no later than **12 months** of the Governor's request for assistance, unless other funding sources have delayed the process.
- DR funds will not be provided under FEMA's Hazard Mitigation Grant Program unless ORCA receives satisfactory evidence *that the property to be purchased was not constructed or purchased by the current owner after the property site location was officially mapped and included in a designated flood plain area. Also, applications for approved Hazard Mitigation activities related to Governor's request for assistance are due within twelve months of the Governor's request.*

- Each applicant for these funds must demonstrate that adequate local funds are not available, i.e., *the entity has less than six months of unencumbered general operations funds available in its balance as evidenced by the last available audit required by state statute, or funds from other state or federal sources are not available to completely address the problem.*
- The distribution of these funds will be coordinated with other state agencies.

To qualify for Urgent Need funds:

- The situation addressed by the applicant must not be related to a proclaimed state disaster declaration or a federal disaster declaration.
- The situation addressed by the applicant must be both unanticipated and beyond the control of the local government.
- The problem being addressed must be of recent origin. For Urgent Need assistance, this means that the **situation first occurred or was first discovered no more than 30 days prior to the date that the potential applicant provides a written request to ORCA for Urgent Need assistance.**
- Each applicant for these funds must demonstrate that local funds or funds from other state or federal sources are not available to completely address the problem.
- The distribution of these funds will be coordinated with other state agencies.
- The infrastructure failure cannot have resulted from a lack of maintenance.
- Urgent Need funds cannot be used to restore infrastructure that has been cited previously for failure to meet minimum state standards.
- The infrastructure failure cannot have been caused by operator error.
- The infrastructure requested by the applicant cannot include back-up or redundant systems.
- Construction on an Urgent Need fund project must begin within ninety (90) days from the start date of the TXCDBG contract. The TXCDBG reserves the right to deobligate the funds under an Urgent Need Fund contract if the grantee fails to meet this requirement.
- **Each applicant for Urgent Need funds must provide matching funds.** If the applicant's 2000 Census population is equal to or fewer than 1,500 persons, the applicant must provide matching funds equal to **10 percent (10%)** of the TXCDBG funds requested. If the applicant's 2000 Census population is over 1,500 persons, the applicant must provide matching funds equal to **20 percent (20%)** of the TXCDBG funds requested. For county applications where the beneficiaries of the water or sewer improvements are located in unincorporated areas, the population category for matching funds is based on the number of project beneficiaries.

An application for Urgent Need assistance will not be accepted by ORCA until discussions between the potential applicant and representatives of the ORCA, TCEQ, and the TWDB result in a determination that the situation meets Urgent Need eligibility criteria and the locality is invited to submit an application.

Applicants may first be encouraged to submit potential urgent need projects under the Community Development (CD) Fund (if within a funding cycle) or convert an existing TXCDBG contract if there are sufficient funds available in the contract. If the submitted Community Development Fund application is not recommended for funding, the application may be considered for Urgent Need Fund assistance if it meets eligibility criteria and funds are available.

An eligible applicant can receive Disaster Relief and Urgent Need assistance during the same program year. However, the following restrictions do apply:

- An applicant can only receive one 2008 program year Urgent Need grant as a single jurisdiction applicant or as a participant in a multi-jurisdiction application (**pending availability of funds**).
- An eligible applicant could conceivably receive multiple Disaster Relief grants during the 2008 program year. But in no instance will an applicant receive more than one grant to address a single occurrence of a natural disaster.

TYPES OF APPLICATIONS

SINGLE JURISDICTION APPLICATIONS

A single eligible applicant (city or county) may submit one application for funding where the project beneficiaries are limited to persons located within the applicant's jurisdiction.

For an incorporated city, the beneficiaries would generally be limited to persons located within the corporate city limits. An incorporated city may submit a single jurisdiction application that includes activities benefiting persons located within the extra-territorial jurisdiction (ETJ) of the city. However, the applicant must describe (on its Community Needs Assessment, **Page 4** of the Application Guide) how the activity benefiting persons located in the ETJ is meeting the applicant's community development and housing needs, including the needs of low and moderate income persons.

An incorporated city cannot submit a single jurisdiction application that includes beneficiaries located inside of the city and beneficiaries located outside of the city's ETJ. In this instance, the city and the county where the unincorporated area is located will be required to submit a multi-jurisdiction application.

For a county, the beneficiaries would generally be limited to persons located in unincorporated areas within the county (for target area projects) or countywide (possibly for projects such as a county community center, county park, or courthouse handicapped accessibility improvements).

However, a county may submit a single jurisdiction application on behalf of an incorporated city located within the county when the following TXCDBG guidelines and requirements are met:

- The proposed activities in the application benefit the incorporated city's residents and the proposed activities provide improvements to a publicly-owned facility or privately-owned utility that is not owned or operated by the incorporated city on whose behalf the county has submitted the application. As an example, a county could submit an application on behalf of an incorporated city that does not own or operate the water system that serves the city's residents, when the water system is owned and operated by an entity such as a public water supply corporation, and the proposed activities in the application are for water system improvements that benefit the city's residents. The city's residents are the beneficiaries of the application activities, but the improvements would become the property of the public water supply corporation.
- The persons benefiting from the application activities must be located within the city's corporate limits and/or within the city's ETJ.
- The incorporated city must adopt and submit a resolution (with the TXCDBG application) authorizing the county to submit the application on behalf of the city.
- The county will be the grantee and the party responsible for compliance with all program requirements.
- The county or the incorporated city that the county applied on behalf of, cannot submit another single jurisdiction application or be a participating jurisdiction in a multi-jurisdiction application submitted under the same TXCDBG fund category.

MULTI-JURISDICTION APPLICATIONS

Two or more eligible applicants may submit one application for funding where the project beneficiaries are persons located within more than one unit of general local government. A multi-jurisdiction application must meet the guidelines for multi-jurisdiction applications as set forth in the following requirements.

The major factors that guide the requirement that a TXCDBG application be submitted as a multi-jurisdiction application and in determining the eligibility of a multi-jurisdiction application are:

- The locations of the beneficiaries and the locations of the proposed activities among the applicant jurisdictions.
- A proposed project that includes an activity located in more than one jurisdiction or that includes beneficiaries from more than one jurisdiction must be submitted as a multi-jurisdiction application. Exceptions to this requirement are the ETJ provision allowed by the TXCDBG for incorporated municipalities under single jurisdiction applications and the county exceptions described under single jurisdiction applications.

In order for a "multi-jurisdiction application" to be eligible for consideration for TXCDBG funding, the following benefit distribution threshold must be met:

- A multi-jurisdiction application must mutually benefit residents of the applicant localities.
- A multi-jurisdiction application cannot be submitted solely on the basis of administrative convenience, i.e., there must be a physical need for such a project (location, area to be served, etc.).
- An example of an eligible multi-jurisdiction application would be the provision of a sanitary sewer treatment facility that would serve households in two applicant cities. However, activities such as multi-county paving projects would not meet the "physical need" requirement, as they are generally developed based on administrative convenience to the applicant counties.

Additional criteria that must be met by multi-jurisdiction applicants are:

1. The multi-jurisdiction applicants shall determine which of the participating units of general local government will be authorized (the authorized applicant) to act in a representative capacity for all of the participating units.
2. Each participating jurisdiction shall submit a **signed 424 Form** and be responsible for compliance with the Local Certifications included on **Page P-18** of the Application Guide.
3. Each participating jurisdiction shall submit a **Community Needs Assessment (Pages 4 & 5)** that identifies the housing and community development needs and the activities designed to meet those needs for each of the participating jurisdictions.
4. **The authorized applicant jurisdiction and each of the other participating jurisdictions must meet the citizen participation requirements described on Pages P-16 & P-17 of the Application Guide.**
5. Each eligible activity must meet one of the national program objectives described on **Page P-5** of the Application Guide. For this purpose, a similar activity carried out/located in two or more different jurisdictions, such as sewage collection lines/service connections to be installed in each of the participating jurisdictions, is considered as two separate activities. A common activity, such as the sewage treatment plant that would serve each of the participating jurisdictions, is considered to be one activity.
6. The authorized applicant assumes overall responsibility for ensuring that the application activities will be carried out in accordance with statutory requirements.
7. In order to accomplish this, the authorized applicant must enter into a legally binding **cooperation agreement** with each participant that includes the above criteria.

SINGLE ACTIVITY APPLICATIONS

Applicants may submit applications for projects that include a single activity such as housing rehabilitation, sewer improvements, water improvements, drainage, roads, etc.

A single activity project (e.g., the extension of water lines and related service connections) may include some ancillary activities, such as repair of streets under which the lines were placed, and still be considered a single activity project.

MULTI-ACTIVITY APPLICATIONS

Applicants may submit multi-activity applications that include multiple activities addressing the applicant's public facilities, public services and housing needs.

The activities included in a multi-activity project may be limited to a narrow geographic area within the applicant jurisdiction such as a **neighborhood affected area**. If all of the activities in the application are located within the neighborhood area, and each of the activities benefits a substantial number of the persons located in the area, the applicant may claim the same beneficiaries for each neighborhood revitalization area activity. On Table 1 of the Application, **Page 24**, the budgets for each of the revitalization area activities must be shown separately, but the applicant may show the same beneficiaries for each activity.

The activities included in the multi-activity project need not be located in a neighborhood affected area.. However, on Table 1 of the Application, **Page 24**, the budgets for each of the activities must be shown separately and the applicant must provide the correct number of persons benefiting from each activity.

This requirement pertains both to applications with a variety of activities (e.g., water, sewer, and street paving activities) and to applications that include a mixture of area and direct benefit activities (e.g., a water well benefiting an entire city and water lines benefiting a target area would be considered separate activities).

PART II - APPLICATION AND SELECTION PROCEDURES

URGENT NEED FUND

For 2008, 4.10% of the State's CDBG allocation is proposed solely for the Disaster Relief Fund, and deobligated funds and/or program income sufficient to replenish to \$1,000,000 is made available for the Urgent Need Fund on the first day of PY 2008.

Urgent Need assistance can only be utilized for activities that will restore **water or sewer** infrastructure whose sudden failure has resulted in either death, illness, injury or pose an imminent threat to life or health within the affected applicant's jurisdiction. The infrastructure failure must not be the result of a lack of maintenance and must be unforeseeable.

While project activities must meet all TXCDBG programmatic requirements, there are additional threshold eligibility requirements for Urgent Need Fund applications in comparison to other TXCDBG fund categories.

FUNDING CYCLE

There is no funding cycle for the Urgent Need Fund and preparation of an application must be **by invitation only**. An application submission process has been established which includes the following steps:

- A locality's engineer or public works staff conducts an assessment of the problem and contacts a field office or state office representative of the Texas Commission on Environmental Quality (TCEQ), which is the state agency responsible for water and sewer system compliance, who in turn contacts the TXCDBG staff and discusses the nature and history of the perceived urgent need situation.
- If there are no immediate problems in meeting TXCDBG Urgent Need threshold requirements and funds are available, then further discussions between the potential applicant and representatives of the TXCDBG, TCEQ, and the Texas Water Development Board (TWDB) can be scheduled at a time and location convenient for all concerned (either through a face-to-face meeting, conference call, or separate discussions between all applicable parties).
- Through these discussions, a determination shall be made whether the situation meets TXCDBG Urgent Need threshold criteria; whether shared financing is possible; whether financing for the necessary improvements is, or is not, available from the TWDB; or that the potential applicant does, or does not, qualify for TWDB assistance. If the applicant qualifies for TWDB or other funding, it must pursue that avenue since Urgent Need funds are considered funds of **last resort**.
- If there are no other resource funds, except for Urgent Need funds, a potential applicant that meets all requirements will receive an invitation to submit an application for Urgent Need Funds.

CONTRACT MAXIMUM AND MINIMUM

Under the Urgent Need Fund, the contract maximum is **\$250,000** and the minimum is **\$25,000**.

URGENT NEED FUND THRESHOLD REQUIREMENTS

1. Program guidelines require that the problem addressed in an application for Urgent Need Fund assistance address conditions which meet one or more of the following:
 - The condition has resulted in human fatality within the applicant's jurisdiction.

- The condition has resulted in illness or injury within the applicant's jurisdiction, documented by the applicable state agency.
- The condition poses an imminent threat to human life or health, documented by the Texas Commission on Environmental Quality (TCEQ) or other applicable state agency.

A determination on whether the applicant meets this threshold will be made based on: **1)** documentation provided on the **TXCDBG URGENT NEED FUND EVALUATION FORM (Pages 29-30 & 33-34)** of this application guide, which must be completed by field office or state office personnel of the TCEQ; and **2)** the discussions between the potential applicant and representatives of ORCA, TCEQ, and TWDB.

- 2. The situation addressed by the applicant must be unanticipated and beyond the control of the local government.** The situation cannot be a temporary problem caused by one-time or occasional circumstances. The situation, if not addressed, must be a permanent threat to public health and safety.
- 3. Program regulations require that the problem being addressed be of recent origin.** For Urgent Need assistance, this means that the situation first occurred or was first discovered no more than **30 days** prior to the date that the potential applicant provides a written request to the TXCDBG for Urgent Need assistance.
- 4. Program regulations require that the applying locality demonstrate that it is not capable of financing the activities with local or other resources.**

The **determination on local capacity** to finance the activities will be based on information provided by the applicant on the **LOCAL FINANCIAL CAPACITY/FINANCING OF INFRASTRUCTURE FORM (Pages 31–32)**.

Additionally, Urgent Need applicants must demonstrate that **loan and grant funds** from other state and federal sources cannot be obtained or be feasibly amortized by the applicant to resolve the identified urgent need.

The determination on the use of other funding sources to finance the activities will be based on information provided by the applicant on the **OTHER FEDERAL/STATE FUNDING SOURCES FORM (page 32)**.

The applicant must provide **at least two letters** from other appropriate federal/state funding agencies indicating that loan and grant funds are not available or that the project does not qualify for funding. **One of the sources contacted for these letters must be the Texas Water Development Board (applicant's request for loan assistance from TWDB must be denied) and the second source must be a funding agency that generally funds the type of activity being addressed in the application.**

MATCHING FUNDS REQUIREMENT

Each applicant for Urgent Need funds must provide matching funds as follows:

- If the applicant's 2000 Census population is **equal to or less than 1,500 persons**, the applicant must provide matching funds equal to **10%** of the TXCDBG funds requested.
- If the applicant's 2000 Census population is **over 1,500 persons**, the applicant must provide matching funds equal to **20%** of the TXCDBG funds requested.
- For county applications where the beneficiaries of the water or sewer improvements are located in unincorporated areas, the population category for matching funds is based on the number of project beneficiaries.

Examples of situations that may be addressed with Urgent Need funds are:

- If a locality loses its only source of water because a water well collapsed or ceased producing water, the locality may be eligible for Urgent Need funds. However, a locality with several wells that is forced to put one well out of service has not lost its only source of water and would not necessarily qualify for urgent need assistance.
- Water samples indicate that a locality's water is contaminated and the locality is ordered to cease human consumption of this water (the source of the contamination is unknown).

Applicants that satisfy all of the Urgent Need Fund thresholds will be invited to apply for urgent need assistance. The applicant must provide a proposed resolution of the identified urgent need including a budget estimate prepared by a registered professional engineer.

The TXCDBG reserves the right to negotiate all aspects of the applicant's proposal including project design, total project cost, and the amount of TXCDBG participation in the total project cost. Interested localities should contact TXCDBG staff for further information concerning this negotiation process.

Examples of situations that should NOT be addressed with Urgent Need funds are:

- A discharge of untreated wastewater that only occurs during a period of abnormally heavy rainfall, is a temporary or occasional problem. The threat to health and safety is not present under normal conditions.
- It should be anticipated that septic systems frequently malfunction or become overloaded, especially if not properly maintained.
- A locality can anticipate that water and sewer lines or water storage facilities that collapse or malfunction because of age, or lack of maintenance, need to be replaced before the problem occurs.
- A locality can anticipate that a wastewater treatment plant capacity may become overloaded if a substantial number of additional users have been added to the sewer system since the plant was built (such as a new prison facility or new annexations).

DISASTER RELIEF FUND

For 2008, 4.10% of the State's CDBG allocation is being proposed only for the Disaster Relief Fund. Disaster Relief funds are available for TXCDBG eligible activities needed to address the damage caused by natural disasters such as tornadoes, hurricanes or floods.

Funds are available on an as-needed basis where one of the following qualifications have been met:

1. The Governor has requested a Presidential Declaration of Disaster, or
2. The Governor has declared a state of emergency/disaster.

To qualify for Disaster Relief funds, the applicant must meet the following threshold requirements:

1. The situation must be unanticipated and beyond the control of the local government. A water tower that collapses due to age or a lack of maintenance would not be eligible for funding. The same tower, if destroyed by a tornado, would be an eligible activity.
2. The disaster occurrence being addressed in the application must be within a defined period. An application for Disaster Relief assistance must be submitted to ORCA **within twelve (12) months** of the Governor's request for ORCA assistance.

3. Local or other funds are not available or sufficient to address the problem.
4. Generally, Disaster Relief funds cannot be requested for the construction of public facilities that did not exist prior to the occurrence of the disaster. (An application containing **Mitigation** measures must be accompanied by an engineer's recommendation and can take up to **12 months** to submit).
5. Disaster Relief funds can only be utilized for the **long-term** solution of a problem. For example, if a locality loses its only water source, the funds cannot be used to haul water as this is considered a temporary solution. Drilling a well or connecting to another water system could be considered a permanent solution.
6. Pre-agreement costs can be requested for the reimbursement of costs associated with **clean-up** activities such as debris removal, equipment, materials and permanent repairs, if the locality has requested such consideration in writing and has received prior approval from ORCA. ***However, all eligible project costs, other than pre-agreement costs, shall be submitted for reimbursement by the locality prior to pre-agreement cost reimbursement. THIS DOES NOT APPLY TO MANPOWER.***
7. Disaster Relief funds should be viewed as **last resort funds**. If houses were demolished by a tornado, assistance should not be requested from the Disaster Relief Fund until all other avenues have been exhausted (e.g., private insurance, Small Business Administration, TDHCA, etc.).
8. When a Federal declaration has been issued and FEMA or NRCS are providing a cost share of 75% (or 90%) and requiring 25% (or 10%) match from the locality, Disaster Relief funds can be used as the locality's match, as long as all other requirements are met.
9. All awards will be negotiable within a maximum amount of **\$350,000** and a minimum of **\$50,000**.

To be considered for Disaster Relief assistance, the following additional information is required:

1. Applicant must demonstrate that adequate local funds are not available. Applicant must show that it has less than 6 months of unencumbered general operations funds available in its balance as evidenced by the last available audit, official report(s), or summary.
2. Information on the applicant's bonding (general revenue/obligation) capacity.
3. Number of persons impacted, including the percentage of overall damage, the frequency of use of the destroyed facilities, and the impact of taking no action.
4. The short-term and long-term economic impact of the disaster on the applicant locality.
5. Health and safety factors (e.g., water, sewer, and electricity).
6. The operations and maintenance history of the damaged facilities, which will also include consideration of depreciation of these facilities.
7. What other funding sources (federal, state, and local) did the applicant pursue prior to contacting the TXCDBG and what was the result of this investigation? Who were the contacts and what were the results?

After being advised that an eligible natural disaster situation exists and other requirements have been met, TXCDBG staff will work with the local government, the Governor's Office, and the Governor's Office of Emergency Management Division (GDEM), to determine where and how TXCDBG funds can best be utilized. All other potential funding sources (federal, state, and local) will be reviewed to ensure that the TXCDBG Disaster Relief funds are used for **gap financing/funding of last resort** for eligible activities.

PART III - OTHER PROGRAM REQUIREMENTS

CITIZEN PARTICIPATION PLAN

A grant to a locality under the TXCDBG may be awarded only if the locality certifies that it is following a detailed citizen participation plan that provides for and encourages citizen participation at all stages of the community development program.

TXCDBG applicants and funded localities are required to carry out citizen participation in accordance with the following Citizen Participation Plan (Pages P-16 & P-17) adopted for the TXCDBG. Each applicant certifies, by signing the Cover Sheet –Form 424 - on Page 1, that it has and will comply with the requirements of this Citizen Participation Plan.

Each applicant must maintain a citizen participation file that includes a copy of this Plan; the applicant's complaint procedures; any technical assistance provided by the applicant; and public notices, minutes, and attendance list for public hearings.

Complaint Procedures: The applicant/recipient must have written citizen complaint procedures that provide a timely written response to complaints and grievances. Citizens must be made aware of the location and the days and hours when the location is open for business so they may obtain a copy of these written procedures.

Technical Assistance: When requested, the applicant/recipient shall provide technical assistance to groups representative of persons of low and moderate income in developing proposals for the use of TXCDBG funds. The level and type of assistance shall be determined by the applicant/recipient based upon the specific needs of the community's residents.

Public Hearing Provisions: For each public hearing scheduled and conducted by a TXCDBG applicant or recipient, the following public hearing provisions shall be observed:

1. Public notice of all hearings must be published at least **seventy-two (72) hours prior** to the scheduled hearing. The public notice must be published in a local newspaper. Each public notice **MUST** include the **DATE, TIME, LOCATION** and **TOPICS** to be considered at the public hearing. A published newspaper article may also be used to meet this requirement so long as it meets all content and timing requirements. Notices should also be prominently posted in public buildings **and distributed to local Public Housing Authorities and other interested community groups**.
2. Each public hearing shall be held at a **time and location** convenient to potential or actual beneficiaries and will include accommodation for persons with disabilities. **Persons with disabilities** must be able to attend the hearings and an applicant must make arrangements for individuals who require **auxiliary aids or services** if contacted at least two days prior to each hearing. The public hearing held prior to submission of an application must be held after 5:00 p.m. on a weekday or at a convenient time on a Saturday or Sunday.
3. When a significant number of **non-English speaking residents** can be reasonably expected to participate in a public hearing, an **interpreter** will be present to accommodate the needs of the non-English speaking residents.

The applicant must comply with the following citizen participation requirements for the preparation and submission of a **Disaster Relief** application to the Texas Community Development Block Grant Program:

1. The applicant must hold **one public hearing prior to the development and submission of the application.**

2. The **locality must retain documentation** of the hearing notice, attendance list, minutes of the hearing, and any other records concerning the proposed use of funds for a period of one year or until the project, if funded, is closed out. Such records must be made available to the public in accordance with Chapter 552, Government Code.
3. **The public hearing must meet the following TXCDBG notification requirements and include a discussion with citizens covering the following topics:**
 - The development of housing and community development needs.
 - The amount of funding available.
 - All eligible activities under the Texas Community Development Block Grant Program.
 - The applicant's use of past TXCDBG contract funds, if applicable.
 - The estimated amount of funds proposed for activities that will meet the national objective of benefit to low and moderate income persons.
 - The plans of the locality to minimize displacement of persons and to assist persons actually displaced as a result of activities assisted with TXCDBG funds, if applicable.
 - Citizens, with particular emphasis on persons of low to moderate income who are residents of slums or blighted areas, shall be encouraged to submit their views and proposals regarding community development and housing needs.
 - Local organizations that provide services or housing for low to moderate income persons, including but not limited to, the local Public Housing Authority, the local Health and Human Services office, and the local Mental Health and Mental Retardation office, must receive written notification concerning the date, time, location and topics to be covered at the public hearing.
 - Citizens shall be made aware of the location where they may submit their views and proposals should they be unable to attend the public hearing.
4. **At least five (5) days prior to submission of the application for Disaster Relief funds, the applicant must publish a public notice in a local newspaper that includes the following information:**
 - The TXCDBG fund category (Disaster Relief or Urgent Need Fund) for which application will be submitted.
 - The amount of funds requested in the application.
 - A short description of the proposed project activities in the application.
 - The locations of the project activities included in the application.
 - The location and hours when the application will be available for public review.

The applicant must comply with the following citizen participation requirements in the event that the applicant receives funding from the Texas Community Development Block Grant Program:

1. The locality must hold a public hearing concerning any substantial change, as determined by the TXCDBG, proposed to be made in the use of TXCDBG funds from one eligible activity to another.
2. Upon completion of the Disaster Relief or Urgent Need activities, the locality shall hold a public hearing and review its program performance, including the actual use of TXCDBG funds.
3. The locality must retain documentation of the hearing notice(s), attendance lists, minutes of the hearing(s), and any other records concerning the actual use of funds for a period of three years after the project is closed out. Such records must be made available to the public in accordance with Chapter 552, Government Code.

LOCAL CERTIFICATIONS

Each applicant for TXCDBG funding must certify by signing the Cover Sheet - 424 Form - that Local Certifications included on **Page P-18 of this Application Guide have been followed in the preparation of any TXCDBG application and that they will continue to be followed in the event of TXCDBG funding.**

With respect to the expenditure of funds provided under a Texas Community Development Block Grant Program Contract, each TXCDBG Contractor is required to certify that:

1. It will minimize displacement of persons as a result of activities assisted with such funds.
2. The program will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 USC 2000d et seq.) and the Fair Housing Act (42 USC 3601-20), and that it will affirmatively further fair housing, as specified by ORCA.
3. It will provide for opportunities for citizen participation, hearings and access to information with respect to its community development programs and it is following ORCA's Texas Community Development Block Grant Program Citizen Participation Plan.
4. It will not attempt to recover any capital costs of public improvements assisted in whole or in part with such funds by assessing any amount against properties owned and occupied by persons of low to moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements unless: (A) such funds are used to pay the proportion of such fee or assessment related to the capital costs of such public improvements that are financed from revenue sources other than such funds; or (B) for purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons of very low income, Contractor certifies that it lacks sufficient funds under this contract to comply with the requirements of clause (A).
5. It will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and Federal implementing regulation at 49 CFR Part 24, and the requirements of section 570.606 including the following of a residential anti-displacement and relocation assistance plan, as specified by ORCA, in the event that displacement of residential dwellings will occur in connection with a project assisted with TXCDBG funds.
6. It has adopted or will adopt and enforce a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations and enforce applicable State and local laws against physically barring entrance to or exit from a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.
7. To the best of the TXCDBG Contractor's knowledge and belief:
 - (A) No Federal appropriated funds have been paid or will be paid, by or on behalf of the TXCDBG Contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
 - (B) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the TXCDBG Contractor shall complete and submit Standard Form-LLL, "Disclosure Form To Report Lobbying", as per instructions.
 - (C) The TXCDBG Contractor shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

FAIR HOUSING ACTIVITIES

Any locality receiving funds under the Texas Community Development Block Grant Program must certify that it will affirmatively further fair housing. Each funded locality must conduct at least one fair housing activity during the contract period, even if the locality is currently undertaking fair housing activities. Activities that qualify as affirmatively furthering fair housing include, but are not limited to, the following:

- Cities may pass a fair housing ordinance and publicize the existence of such an ordinance.
- Counties may adopt written fair housing policies and procedures that are equivalent to a fair housing ordinance and publicize the existence of such policies.
- The development of a strategy to pass a fair housing ordinance to be evidenced by public hearings and input from interested parties.
- The establishment of a written local complaint and monitoring process and notification to the public of its existence.
- The initiation of a fair housing counseling referral service that provides housing choices outside historically minority and/or low-to-moderate income neighborhoods to be evidenced by adoption of written procedures and publication of the availability of such service.
- The completion of a community-wide housing analysis to determine impediments to fair housing and actions to eliminate these impediments.
- The designation of April, or some other month, as Fair Housing Month through resolution or proclamation along with other activities to support fair housing.

MINORITY PARTICIPATION

The Texas Community Development Block Grant Program will maintain the goal of encouraging minority participation and will assist communities in identifying potential minority contractors and subcontractors through the ongoing Minority Business Enterprise program.

PROJECT LENGTH

Generally, projects must be completed within two years from the execution date of the contract agreement (there are exceptions to the two-year contract period under some of the TXCDBG fund categories). Waivers to the contract period for TXCDBG contracts will only be granted when a waiver request is submitted in writing to ORCA, and ORCA finds that compelling circumstances exist outside of the control of the local government that justify the approval of such a waiver.

Should the applicant fail to substantiate or maintain the claims and statements made in the application upon which the TXCDBG award is based within a period ending 90 days after the date of ORCA's award letter to the applicant, the award will be immediately withdrawn by ORCA.

Any TXCDBG Contractor that has not begun project activities within the first six (6) months of the contract period will have its TXCDBG contract terminated. The project activities that TXCDBG Contractors must begin to meet this requirement are included in Exhibit C, Project Implementation Schedule, of the TXCDBG Contract (Procurement of Special Services, Environmental Review, Plans & Specifications, etc.).

To encourage a fair and open competitive process for procurement of professional services, ORCA will not recognize open-ended or multi-year retainer contracts or agreements for professional services that discourage fair and open competition for professional services. ORCA requires that the procurement process for professional services be done separately for each application that is submitted and awarded TXCDBG funds.

APPLICANT THRESHOLD REQUIREMENTS

An eligible applicant must meet all of the following requirements in order for its application to be considered or to receive TXCDBG funding:

1. Demonstrate the ability to manage and administer the proposed project, including meeting all proposed benefits outlined in the application.
2. Demonstrate the financial management capacity to operate and maintain any improvements made in conjunction with the proposed project.
3. Levy and collect a local property tax or the local sales tax option.
4. Demonstrate satisfactory performance on all previously awarded TXCDBG contracts.
5. Resolve any and all outstanding compliance findings, audit findings, and disallowed costs on previously awarded TXCDBG contracts and any other ORCA contracts.
6. Submit any past due audit for any ORCA contracts in accordance with Title 10, Chapter 255, Subchapter A, Section 255.1 of the Texas Administrative Code. *(The Disaster Relief Fund and Urgent Need Fund are exempt from this threshold).*
7. **The 12-month, 24-month, and 36-month threshold requirement will not prevent an eligible applicant from receiving TXCDBG Disaster Relief Fund assistance when the applicant meets the eligibility criteria for TXCDBG Disaster Relief Fund assistance.**

CONFLICT OF INTEREST STATEMENT

Under the conflict of interest provisions at 570.489 (h), that are included in the regulations governing state administration of Community Development Block Grant (CDBG) non-entitlement funds (24 CFR 570, Subpart I), no persons who exercise or have exercised any function or responsibilities with respect to TXCDBG activities, or who are in a position to participate in a decision making process, or gain inside information regarding TXCDBG activities, may obtain a financial interest or benefit from the activity, or have interest in any contract, subcontract, or agreement, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure, or for one year thereafter.

These conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official of the state, or of a unit of general local government, or of any designated public agencies, or subrecipients that are receiving CDBG funds.

Under these provisions, a conflict of interest would exist (family member receiving benefit from an activity) if a member of a mayor's family was selected to receive housing rehabilitation assistance through a city program financed with TXCDBG funds. *Another example where a conflict of interest would exist (business ties) is a situation where a consultant, who is employed by an engineering firm, has been selected by a city to provide grant administration services and the city is considering the selection of an engineer from that same firm to provide grant engineering services.*

The Office of Rural Community Affairs (ORCA) may grant an exception to the conflict of interest provisions on a case-by-case basis if it is determined that such exception will serve to further the purpose of the TXCDBG and the effective and efficient administration of the project. An exception may be considered only upon written request from the city or county that includes the following documentation:

1. A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made.
2. An opinion of the attorney for the city or county that the interest for which the exception is sought would not violate state or local law.

3. Whether the exception would provide a significant cost benefit or an essential degree of expertise to the project that would not otherwise be available.
4. Whether an opportunity was provided for open competitive bidding or negotiation.
5. Whether the person affected is a member of a group or class of low or moderate income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class.
6. Whether the person affected has withdrawn from his/her functions or responsibilities, or the decision-making process with respect to the specific assisted activity in question.
7. Whether the interest or benefit was present before the affected person was in the position as an employee, agent, consultant, officer, or elected official of the city or county, or of any designated public agencies, or subrecipients that are receiving CDBG funds.
8. Whether undue hardship will result to the city or county or the persons affected when weighed against the public interest served by avoiding the prohibited conflict.

FALSE INFORMATION ON APPLICATIONS

The following actions may be taken, on a case-by-case basis where TXCDBG staff find that an applicant provided false information in its Disaster Relief or Urgent Need application for TXCDBG funding.

If an applicant provides false information in a Disaster Relief Fund or Urgent Need Fund application, the TXCDBG staff shall make a recommendation for action to the Executive Director of ORCA.

Recommendations that the Executive Director may make include, but are not limited to:

1. Disqualification of the application and holding the locality ineligible to apply for TXCDBG funding for a period of at least one year not to exceed two program years.
2. Even if an award has been made, the locality may be liable for funds expended if adjustment to the scores would have resulted in a change in rankings for the purpose of funding.
3. Holding the locality ineligible to apply for TXCDBG funding for a period of two program years or until any issue of restitution is resolved, whichever is longer.

APPEALS PROCESS

An applicant for funding under the Disaster Relief Fund or Urgent Need Fund may appeal the disposition of its application based on one or more of the following grounds only:

1. **Misplacement of an application:** if all or a portion of an application is lost, misfiled, etc., by TXCDBG staff, resulting in unequal consideration of the applicant's proposal.
2. **Other procedural error:** if the application is not processed by TXCDBG staff according to the procedures contained in this document.

All appeals, including the specific alleged procedural violation(s), must be submitted in writing to ORCA/TXCDBG. ORCA staff may take one of the following actions:

1. Concur with the appeal and reinstate the application, or
2. Disagree with the appeal and provide the basis for rejecting the appeal to the applicant.

If an appeal filed by an applicant under the Disaster Relief or Urgent Need Fund is rejected, an appeal file is prepared for consideration by the Executive Director of ORCA. The applicant will be notified of the decision rendered by the Executive Director. The decision of the Executive Director is final.

An appeal can be filed at any time during the selection process but must be submitted no later than 30 days following the denial of funding for a Disaster Relief or Urgent Need Fund application.

Appeals not submitted in accordance with these requirements will be dismissed and may not be re-filed.

SECTION II - APPLICATION FORMS AND INSTRUCTIONS

OVERVIEW

This Application Guide contains the instructions and forms that must be used to prepare and submit an application for:

- 2008 TXCDBG assistance from the **Disaster Relief Fund**
- 2008 TXCDBG assistance from the **Urgent Need Fund**

Since applications for the two program fund categories vary slightly, please use the checklists on Pages C-1 and C-2 as guides for determining the forms and information to be submitted for each fund category.

Prior to submitting an application, the applicant must complete a citizen participation process that complies with the TXCDBG Citizen Participation Plan requirements described on **Pages P-16 & P-17** of this Application Guide.

Only **one (1)** signed and completed copy of the application is required and must be sent to:

	Office of Rural Community Affairs
	Texas Community Development Program
Mailing Address:	Post Office Box 12877, Capitol Station
	Austin, Texas 78711-2877
Street Address:	1700 N. Congress, Suite 220
	Austin, Texas 78701
Telephone Number:	512-936-6701
Fax Number:	512-936-6776

Only one (1) copy of the Disaster Relief or Urgent Need application must be submitted to the appropriate Regional Planning Commission for TRACS review.

The **TXCDBG will not consider applications that are incomplete, or that lack information** needed by TXCDBG staff to make determinations concerning the eligibility of each application activity and the applicant's compliance with TXCDBG and Federal program requirements. A **substantially complete TXCDBG application must include all of the following information numbered 1 through 11:**

1. A completed 424 Form signed with an original signature
2. A completed Project Approval Information Form
3. A completed Community Needs Assessment
4. A completed Project Summary with responses to all required questions for Pages One, Two and Three and completion of the applicable information requested by Pages Four
5. A completed National Program Objectives Form
6. **Disaster Relief Fund Qs. 1-7 found on P-15**
Urgent Need Fund Evaluation Form & Project Description (Pages 28-34)
7. A Completed Table 1 – Benefit to Low/Moderate Income Persons
8. A completed Table 2 – Budget Justification (If Applicable)
9. A passed/adopted Local Government Resolution authorizing submission of the application
10. Information showing compliance with the TXCDBG Citizen Participation Plan (public hearing notices)
11. A completed TXCDBG Applicant Disclosure Report with an original signature

Any complete application is subject to disqualification, or a recommendation for disqualification, for any of the following reasons:

- The applicant is not a unit of general local government (**Page P-5**).
- The project is not located in a nonentitlement area (**Page P-5**).
- The application contains ineligible activities (**See Page P-6 or Appendix I** for information concerning eligible activities).
- The applicant does not substantially comply with the TXCDBG Citizen Participation Plan requirements (**Pages P-16 & P-17**).
- The applicant cannot meet the Applicant Threshold Requirements (**Pages P-20**).
- The application contains false information (**Page P-21**).
- The applicant did not comply with the TXCDBG survey requirements (**Appendix III**).
- The same or substantially the same application was submitted under two (2) or more TXCDBG fund categories (**Page P-7**).
- The application does not contain adequate or acceptable information to show that each proposed application activity meets a national program objective (**Page P-5**).
- The application does not comply with the requirement concerning the preparation of an assessment of the applicant's housing and community development needs prior to submission of a TXCDBG application (**Page 4 and Page 5**).
- The applicant does not provide the information required in the TXCDBG Applicant/Recipient Disclosure/Update Report (**Pages 46 & 47**).
- The applicant does not respond, refuses to respond, or does not provide an adequate response to a TXCDBG request for revisions or additional information concerning the application.

All **complete applications** will be reviewed by the TXCDBG, and the applicant will be given some reasonable time to correct any deficiencies.

APPLICATION CHECKLIST

DISASTER RELIEF APPLICATION

The following serves as an application checklist that each applicant must use to ensure that an application under the Disaster Relief Fund is complete.

<u>Application Item</u>	<u>Page Number</u>
_____ Cover Sheet -- Form 424	1
_____ Project Approval Information	3
_____ Community Development Needs Assessment	4
_____ Project Summary	5-16
_____ Disaster Relief Fund (Numbers 1 – 7)	P-15
_____ National Program Objectives Addressed	17-20
_____ Benefit to Low/Moderate Income Persons – Table 1	24
_____ Budget Justification – Table 2	27

ATTACHMENTS

_____ Local Government Resolution(s)	35
_____ Notices of Public Hearing and Application Activities	37
_____ Project Maps	39
_____ TXCDBG Minority Employment Form	42
_____ TXCDBG Applicant/Recipient Disclosure/Update Report	46-47
_____ Letters of Commitment (if applicable)	48
_____ Acceptability of Match (if applicable)	49-50
_____ TXCDBG Application Completion Survey	51

APPLICATION CHECKLIST

URGENT NEED APPLICATION

The following serves as an application checklist that each applicant must use to ensure that an application under the Urgent Need Fund is complete.

<u>Application Item</u>	<u>Page Number</u>
_____ Cover Sheet -- Form 424	1
_____ Project Approval Information	3
_____ Community Development Needs Assessment	4
_____ Project Summary	5-16
_____ National Program Objectives Addressed	17-20
_____ Benefit to Low/Moderate Income Persons – Table 1	24
_____ Budget Justification – Table 2	27
_____ Description of Urgent Need to be Addressed	28
_____ Proposed Activities to Alleviate the Conditions	28
_____ TXCDBG Urgent Need Fund Evaluation Form	29-34

ATTACHMENTS

_____ Local Government Resolutions(s)	35
_____ Notices of Public Hearing and Application Activities	37
_____ Project Maps	39
_____ TXCDBG Minority Employment Form	42
_____ TXCDBG Applicant/Recipient Disclosure/Update Report	46-47
_____ Letters of Commitment (if applicable)	48
_____ Acceptability of Match	49-50
_____ TXCDBG Application Completion Survey	51

		2. DATE SUBMITTED	Applicant Identifier
1. TYPE OF SUBMISSION Application _____ Construction _____ _____ Non-Construction _____ Non-Construction _____		3. DATE RECEIVED BY STATE	State Identifier
		4. Date Received by Federal Agency	Federal Identifier
5. APPLICANT INFORMATION			
Legal Name:		Organizational Unit:	
Address (City, State, Zip code and County)		Name/Title, Agency or Company, Address, Area Code and Telephone Number of Application Preparer.	
6. EMPLOYER IDENTIFICATION NUMBER (EIN):		7. TYPE OF APPLICANT: (check where appropriate below) A Municipal _____ B County _____	
8. TYPE OF APPLICATION: _____ New _____ Continuation _____ Revision		9. NAME OF FEDERAL AGENCY:	
		Office of Rural Community Affairs	
11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: 		10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER 14-228 TITLE: Texas Community Development Block Grant Program	
		11a TYPE OF APPLICATION: (check where appropriate below) _____ Disaster Relief Fund _____ Urgent Need Fund	
12. TARGET AREA(S) AFFECTED BY PROJECT:		13. APPLICANT'S FISCAL YEAR: Beginning Date _____ Ending Date _____	
14. CONGRESSIONAL DISTRICTS OF: a. Representative: _____ b. Senate: _____ c. Congress: _____			
15. ESTIMATED FUNDING: a. TXCDBG Request \$ _____ b. Federal \$ _____ c. State \$ _____ d. Applicant \$ _____ e. Local \$ _____ f. Other \$ _____ g. TOTAL \$ _____		16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS? _____ YES THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE _____ _____ NO <input type="checkbox"/> PROGRAM IS NOT COVERED BY E.O. 12372 <input type="checkbox"/> OR Program Has Not Been Selected By State For Review	
		17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT? <input type="checkbox"/> Yes If "Yes" attach an explanation _____ No	
		18. TO THE BEST OF MY KNOWLEDGE AND BELIEF ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE CERTIFICATIONS AND CITIZEN PARTICIPATION PLAN INCLUDED IN THE PROCEDURES SECTION OF THE TXCDBG APPLICATION GUIDE IF THE ASSISTANCE IS AWARDED.	
		a. Typed Name of Authorized Representative b. Title c. Telephone Number	
		d. Signature of Authorized Representative e. Date Signed	

INSTRUCTIONS FOR COMPLETION OF THE 424 FORM

The numbered sections in these instructions coincide with the numbered areas on the 424 FORM. Since the TXCDBG does not need all of the information requested on the 424 FORM, these instructions only cover the mandatory sections and sections where the information is optional.

1. **TYPE OF SUBMISSION** - Under the Application Column, place a mark (X) in the box for Construction or Non-Construction. The majority of TXCDBG applications, except for Planning-only applications, include some construction activities.
5. **APPLICANT INFORMATION** - Provide the Legal Name (e.g., City of ABC, Town of ABC, County of ABC, ABC County) and the Organizational Unit (can be the same as the Legal Name). Please provide the applicant's Address including the mailing address, city, state, zip code, and the county or counties in which the applicant's jurisdiction is/are located. Also, please provide the name (including agency or company name), address, and telephone number of the application preparer.
6. **EMPLOYER IDENTIFICATION NUMBER** - Most cities and counties have this number but for this application the information is **optional**.
7. **TYPE OF APPLICANT** - If the applicant is an incorporated city, place a mark (X) in the box next to **A Municipal**. If the applicant is a county, place a mark (X) in the box next to **B County**.
Numbers 9 and 10 are already completed for the applicant.
11. **DESCRIPTIVE TITLE OF APPLICANT'S PROJECT** - Provide a description of the areas of the city or county affected by the project., such as: "The ABC Neighborhood in South Side Area of the City", "The Entire City of ABC", "The North Side of the City and an Area Within the City's ETJ". If a city's corporate city limits are located in more than one county, please also provide the county or counties where the project beneficiaries are located. "Water Distribution Line Improvements", "Construction of First Time Public Sewer Service In East ABC", "Water System Improvements in the ABC Community", etc.
- 11a. **TYPE OF APPLICATION** - Place a mark (X) in the box for the TXCDBG fund category under which this application is submitted. Mark only one fund category.
12. **TARGET AREA(S) AFFECTED BY THE PROJECT** - Provide a description of the areas of the city or county affected by the project. For a city, an acceptable description would be: "The ABC Neighborhood In The Northwest Area Of The City", "The Entire City of ABC", "The South Side Area Of The City And An Area Within The City's ETJ". If a city's corporate city limits are located in more than one county, please also provide the county or counties where the project beneficiaries are located.

For a county, an acceptable description would be: "The ABC Community In Southeast XYZ County", "The ABC Community and LMN Community In XYZ County", "The ABC Water Supply Corporation Service Area", "The A, B, C, and D Colonias of XYZ County".
13. **APPLICANT'S FISCAL YEAR** - Indicate the beginning and end dates of the applicant's fiscal year.
14. **CONGRESSIONAL DISTRICTS OF** - This information is **optional, but would be much appreciated**.
15. **ESTIMATED FUNDING** - The applicant's TXCDBG request goes next to **a. TXCDBG Request**. Any funds committed from federal resources such as NRCS or RD go next to **b. Federal**. Any funds committed from state resources such as TWDB go next to **c. State**. Any funds committed by the applicant go next to **d. Applicant**. Any funds committed from local resources such as a WSC, WCID, MUD, or any other local group go next to **e. Local**. Any funds committed from resources other than a, b, c, d, or e above go next to **f. Other**. Total the amounts shown in a, b, c, d, e, and f and enter the Total next to **g. TOTAL**.
16. **IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?** - YES. Include the estimated DATE when the application will be submitted to the Regional Planning Commission for Texas Review And Comment System (TRACS) review.
17. **IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?** - We hope the answer is No (X). A Yes (X), answer must include an explanation concerning the nature, amount and date when payment of the debt became delinquent.
18. The authorized signatory for the application should read the bold print carefully and review the **CERTIFICATIONS (Page P-18) AND the CITIZEN PARTICIPATION PLAN (Pages P-16 & P-17) of the TXCDBG Application Guide** prior to signing the 424 FORM. Provide **a Typed Name of Authorized Representative** (This person must be authorized in the attached Local Government Resolution), **b Title**, **c Telephone Number** (Including Area Code), **d Signature of Authorized Representative** (The application submitted must contain original, not copied, signatures), and the Date Signed.

PROJECT APPROVAL INFORMATION

Item 1	Does the applicant levy the following tax revenues? Local property (Ad Valorem) Tax: _____ Local Sales Tax Option: _____	Yes _____ No _____ Yes _____ No _____
Item 2.	Does the assistance require State or local advisory clearance or review through the Texas Review and Comment System? Name of Agency or Board: _____	Yes _____ No _____
Item 3.	Name of Federal Installation: _____ Percent of Project: _____	Yes _____ No _____
Item 4.	Will the assistance requested have any negative impact(s) or effect(s) on the environment? Note: All funded applications will have to comply with Federal regulations regarding environmental clearance before funds are released.	Yes _____ No _____
Item 5.	Is the project in a designated flood hazard area? Is the applicant participating in the National Flood Insurance Program?	Yes _____ No _____ Yes _____ No _____
Item 6.	Will the assistance requested cause the displacement of families, individuals, farms, or businesses? Number of: Families _____ Individuals _____ Farms _____ Businesses _____	Yes _____ No _____
Item 7.	Is the applicant providing access to the proposed improvements for each low and moderate income project beneficiary claimed? (TXCDBG policy requires that each low and moderate income person claimed as a project beneficiary must receive complete access to the proposed application improvements. Therefore, service connections must be provided to low/moderate income persons for first time water or sewer service projects.)	Yes _____ No _____
Item 8.	Will the applicant or the service provider in the application levy any tap fees, capital recovery fees, or access fees, on the project beneficiaries? If Yes, are TXCDBG funds, or other funds, included in the application budget to pay assessments for the application low/moderate income beneficiaries? (Special assessment costs for low/moderate income persons must be included in the TXCDBG application. At a minimum, these costs must be paid for very low income persons.) If No, briefly describe the assessment costs/fees that will be levied and how these costs will be financed. At a minimum, the applicant must include financing in the application for these costs/fees for very low income persons. _____	Yes _____ No _____ Yes _____ No _____
Item 9	Has the applicant identified the source of matching funds committed to the application activities? If Yes, has the applicant provided evidence that local matching funds would be available? If non-local matching funds have been identified, provide evidence that the applicant has already obtained the funding commitment or evidence that the applicant has submitted an application for matching funds. _____	Yes _____ No _____ Yes _____ No _____

Each applicant for TXCDBG funds must: prepare an assessment of local housing and community development needs; allow for citizen input in the development of the needs assessment through public hearings; and document that any activity benefiting persons located in the ETJ is meeting its housing and community development needs.

Below, first list and describe **all of the identified local priority community development and housing needs** and not just the needs addressed in the application. Then provide **a description of the needs addressed in the application** and the **methods used to develop the needs assessment**.

**COMMUNITY DEVELOPMENT AND HOUSING NEEDS IDENTIFIED BY
LOCAL PRIORITY****NEEDS ADDRESSED IN THIS APPLICATION****GENERAL OBLIGATION AND REVENUE BOND INFORMATION****NEEDS DETERMINED BY:**

- 1) PUBLIC HEARING _____
- 2) COMMUNITY SURVEY _____
- 3) EXISTING STUDIES _____
- 4) OTHER _____

DATE(S) OF ASSESSMENT:

A. PROJECT SUMMARY

DISASTER RELIEF FUND APPLICANTS AND URGENT NEED FUND APPLICANTS

Each City or County applicant submitting a Disaster Relief Fund or Urgent Need Fund application must complete all four pages (Pages 13 -16) of the Project Summary.

The summary must be activity specific, addressing both the general questions for all projects and the activity specific questions for each type of eligible activity described in (Pages 5-12).

Applications containing multiple activities may provide the information for each activity within the four-page format or submit additional pages using the format provided, if more space is needed. Applicants must complete the project summary using this format. No other format for the project summary will be accepted by the TXCDBG.

PROJECT SUMMARY

PAGE 1

Each Disaster Relief and Urgent Need Fund applicant must describe the need for the project facilities/services improvements for each project activity included in the application by answering the following general questions:

1. Why has the applicant selected the needs addressed in this application?
2. What is the extent of the need?

Disaster Relief Applicants may describe the extent of the damages caused by the disaster to water or sewer systems; street and road damage; clearance and demolition costs; need for drainage structures; etc.

Urgent Need Applicants may describe, for example, the problem in terms of the extent of contamination caused to the current system/facilities; documented numbers of people whose health was affected by the contamination; documented citations or reports from the regional or state TCEQ field office; failure to meet state/federal minimum standards for a facility and documented evidence citing the deficiency(ies); etc.

The applicant must also **describe the extent of the need** (e.g., the city needs to extend transmission lines twenty miles to the nearest reservoir to obtain the needed water to resolve a drought problem; **or for a housing situation**, of 50 homes affected by the tornado, 10 were demolished, of which 5 were insured; 30 homes received major damage requiring a minimum of \$25,000 to repair (15 were insured); and 10 received minor damage requiring less than \$5,000 of repairs (5 were insured).

PROJECT SUMMARY

PAGE 2

The applicant must provide **information concerning the current conditions of the facilities/services in the project area(s) for each activity included in the application**. This information should cover the year the current facilities were constructed; capacities for water and sewer systems; the surface materials, base materials, width, and classification for streets; the current drainage structures in place in the target area; a description of the current facility and services provided at the community/senior/social services center; etc.

A simple way to provide this information is a question/answer format. Type the first question listed under each activity heading. Then, provide a response to the question. Continue with the question/answer format until all of the questions listed under each activity heading have been answered. If an application includes an activity not covered under the activity specific questions, please contact TXCDBG staff for instructions for the project summary.

Each Disaster Relief and Urgent Need Fund applicant must provide answers for all the ACTIVITY SPECIFIC QUESTIONS listed on Pages 6 - 10 for each activity included in the application.

As an example, for an application that includes water system improvements and road/street improvements, the applicant would have to provide answers to all of the activity specific questions listed under Water System Improvements (Page 6) and Road/Street Improvements (Page 9).

ACTIVITY SPECIFIC QUESTIONS

Water System Improvements

1. What are the water sources for the system (e.g., wells, surface water)?
2. If surface water is a source: When was the treatment facility constructed and what is the design population capacity for the existing facility?
3. If well water is a source: How old is each well? What is the existing pumping capacity for each well? What is the design population capacity when the pumping capacity of all operating wells is combined?
4. When were the storage and pressure facilities built? What are the capacities for the existing storage and pressure facilities?
5. If line work is involved: When were the affected lines installed? What are the diameters of the affected lines? If too many service connections are currently served by undersized lines, what is the diameter of each of these lines and how many service connections are served by each line? What are the pressure readings for the affected lines? What are the material types of the affected lines?
6. Are any of the capacity/pressure improvements (such as looping or gate valves) primarily for fire protection? Are hydrants included?
7. Has the water system that will receive improvements through this application been cited by the TCEQ for any deficiencies? Please describe any activities in application that will address the water system deficiencies cited by the TCEQ.
8. Do the applicant's proposed activities address drought related water supply problems from current drought conditions? If the answer is yes, please describe the severity of the applicant's water supply problem and how the TXCDBG application activities will resolve or alleviate the water supply problem.
9. What entity, or entities, hold the Certificate of Convenience and Necessity (CCN) to provide water service in the service areas included in this application? Is the entity a public nonprofit utility, a privately-owned nonprofit utility, or a privately-owned for-profit utility? What are the water rates (set by this entity) for the application beneficiaries?

Sewer/Wastewater Improvements

1. When were the treatment facilities built?
2. What is the design flow and permit capacity for the existing facilities?
3. What is the present average daily flow?
4. Is the treatment plant currently meeting its permit parameters? If not, is the permit noncompliance a result of a deficient design capacity, not meeting the final treatment parameters, or an inflow/infiltration problem which only occurs during wet periods?
5. Will any of the proposed improvements require the approval of a new permit or an amendment to an existing permit?
6. Will any increase in users be within the capacity of its existing permit?
7. If line work is involved: When were the affected lines installed? What are the diameters of the affected lines? What are the material types of the affected lines? Has the line been cleaned or smoke-tested in the past? If so, when?
8. Has the sewer system that will receive improvements through this application been cited by the TCEQ for any deficiencies? Please describe any activities in application that will address the sewer system deficiencies cited by the TCEQ.

9. What entity, or entities, hold the Certificate of Convenience and Necessity (CCN) to provide sewer service in the service areas included in this application? Is the entity a public nonprofit utility, a privately-owned nonprofit utility, or a privately-owned for-profit utility? What are the sewer rates (set by this entity) for the application beneficiaries?

Housing Assistance For Water Connections

1. If the project includes the payment of connection fees and other access fees, how much is charged for each fee and what is the total amount of TXCDBG funds budgeted for the payment of these fees on behalf of low and moderate income persons?
2. What is the highest dollar cost estimated for providing access to water service to a housing unit occupied by low and moderate income persons (take into consideration any housing unit that may need associated plumbing improvements)?
3. What is the average dollar cost projected for providing access to water service for each housing unit that is occupied by low and moderate income persons?
4. How many of the housing units proposed to receive water service through this application are occupied by low and moderate income persons?
5. How many of the housing units for which water service will be available through this application are occupied by persons that are not low and moderate income persons?
6. Have the residents that will not receive service connection assistance or assistance for the payment of any tap fees been informed of these conditions?
7. Have these residents expressed favorable or negative responses to paying for their own service connections or tap fees?

Housing Assistance For Sewer Connections

1. If the project includes the payment of connection fees and other access fees, how much is charged for each fee and what is the total amount of TXCDBG funds budgeted for the payment of these fees on behalf of low and moderate income persons?
2. What is the highest dollar cost estimated for providing access to sewer service to a housing unit occupied by low and moderate income persons (take into consideration any housing unit that may need associated plumbing improvements)?
3. What is the average dollar cost projected for providing access to sewer service for each housing unit that is occupied by low and moderate income persons?
4. How many of the housing units proposed to receive sewer service through this application are occupied by low and moderate income persons?
5. How many of the housing units for which sewer service will be available through this application are occupied by persons that are not low and moderate income persons?
6. Have the residents that will not receive service connection assistance or assistance for the payment of any tap fees been informed of these conditions?
7. Have these residents expressed favorable or negative responses to paying for their own service connections or tap fees?

Parks/Recreation Improvements

1. What kinds of recreational facilities are currently available at the existing parks (e.g., playground equipment, picnic facilities, ball fields, basketball/tennis courts, swimming pools, etc.)?
2. What is the size of the recreational facility or park site (acres or dimensions)?
3. Are the existing recreational facilities currently used by neighborhood residents only, the entire city, or the entire county?
4. What improvements are proposed and will any new facilities or activities be available upon completion of the project?
5. After completion of the project, will some recreational facilities and activities (such as a baseball field and organized baseball) only be available at the sites included in the application?

6. What is the service area for the proposed project improvements? (If a recreational facility or activity is only available at one park site, then the park site would lose its neighborhood service area designation. The park would now serve a larger service area.)

Housing Rehabilitation

1. What type of assistance is being provided? Forgivable Loan? Loan? The TXCDBG does not allow grants for housing rehabilitation assistance and will only allow the use of:

Forgivable Loans - (Example: 5-year loan where 20% of the loan is forgiven each year that the assisted homeowner retains ownership of the rehabilitated home. If the home is sold with two years remaining of the 5-year loan term, the selling homeowner must pay back 40% (2/5) of the amount of the loan.

Loans - A low interest rate or zero interest rate loan (The loan program design needs to consider housing and income conditions of the clientele that the program is trying to assist.) for rehabilitation assistance that the homeowner begins paying back after the rehabilitation work is completed.
2. What is the maximum dollar cost allowed and average dollar cost projected for each unit? For the projected average dollar cost, what amount is projected for actual rehabilitation construction costs and what amount is projected for soft costs (e.g., work write-ups, inspections, etc.)?
3. Will rehabilitation assistance be directed to: owner-occupied units, renter-occupied units, special population groups and any special geographical areas? Will the housing rehabilitation program include provisions for relocation assistance?
4. What is the minimum number of housing units proposed for rehabilitation?
5. Are any of the proposed rehabilitated housing units targeted to persons with disabilities? If the answer is YES, then how many of the rehabilitated housing units are targeted to persons with disabilities? How many of these proposed targeted rehabilitated units are estimated for owner-occupied and renter-occupied housing units?
6. What is the selection process for determining eligible recipients (e.g., first come-first served, lowest income)? Any priority status proposed for the elderly or persons with disabilities?
7. Is there any anticipated real property acquisition and/or relocation or displacement of current residents? If YES, have these costs been built into the project budget?
8. What code standards will be used to determine rehabilitation needs (e.g., HUD Section 8 Existing Housing Quality Standards, Local Building Codes, Southern Building Code)?
9. Has other funding been considered as part of the rehab program (e.g., weatherization)?
10. If implementing a loan program, are there firm written commitments from financial institutions including type of loan, maximum amount to be borrowed, interest charged, length of loan, and other conditions?
11. How will the applicant enforce the lead based paint regulations (risk assessors? Paint inspectors? abatement workers? Clearance technicians?)

Affordable New Housing

1. Was a housing survey conducted or was some other information used to determine the need for affordable new housing? Does the need for new housing include new housing units that are accessible to persons with disabilities? If the affordable housing program includes new housing units for persons with disabilities, the applicant must describe the existing housing conditions and why the lack of available housing in the locality provides justification for the construction of new housing for persons with disabilities.
2. Is there a neighborhood-based or other eligible nonprofit organization currently in operation that meets the conditions of the proposed program?
3. What is the current purpose of the nonprofit organization that will operate the program and how does the affordable new housing activity fit into its current programs?
4. If an eligible nonprofit organization does not exist in the applicant's jurisdiction, how will the applicant propose to meet this requirement?
5. Describe guidelines for affordable new housing program (e.g., must own/provide the lot, site acquisition allowable, low-interest loans, renting with option to buy, loan terms, cost based on unit size, etc.)?

Road/Street Improvements

1. What are the current conditions of each of the roadways? (Describe the surface materials, base materials, widths of the roadways, whether curbed/guttered or strip paved.)
2. What are the classifications of the roads (e.g., residential, commercial, arterial, collector)?
3. Is there a maintenance schedule for the streets or roads? Briefly describe.
4. If new construction is proposed, what are the development patterns in the area?
5. If added capacity is in the form of additional lanes, how many linear feet of additional width will be added to the roadways?
6. If an upgrade of surface quality is proposed, was poor drainage a contributing factor in the lack of serviceability of the street/road?
7. Do the proposed road improvements include consideration for curb cuts for persons with disabilities?
8. If the application activities include the installation of first-time surface pavement, substantial surface and road base improvements, or substantial reconstruction of the existing streets (including road base and road surface):

Are the residents that are located on the streets currently receiving water and sewer service from a public or private service provider?

- **If YES:** Are the residents served through water and/or sewer lines that are located in the street right-of-way or water and/or sewer lines located in easements or alleyways?
- **If NO:** Are sufficient easements and rights-of-way available for the possible installation of such water or sewer lines in the future? **OR** Would the streets that are proposed to be improved in this application have to be reconstructed because any future installation of water and/or sewer lines would be located in the street right-of-way?

NOTE: TXCDBG funds cannot be used to install street/road improvements in areas that are not currently receiving water or sewer service from a public or private service provider unless the applicant provides matching funds equal to at least fifty percent (50%) of the total construction cost budgeted for the street/road improvements. This requirement will not apply when the applicant provides assurance that the street/road improvements proposed in the application will not be impacted by the possible installation of water or sewer lines in the future because sufficient easements and rights-of-way are available for the installation of such water or sewer lines.

Drainage Improvements

1. What are the current drainage patterns in the targeted service area?
2. Is the drainage in the targeted area controlled by natural terrain features (e.g., natural gullies, unimproved creek beds, natural slopes, etc.), or constructed and designed drainage facilities (e.g., storm sewer, designed drainage channels, water crossings, bar ditches, culverts, etc.), or a combination of both? Please describe the natural terrain features and the constructed and designed drainage facilities in the area.
3. What are the planned improvements and will these improvements connect into other existing drainage structures in the area?
4. Will the planned drainage improvements cause related problems downstream or in other areas?
5. Are other precautions needed for health/safety concerns such as fencing, underground drainage, etc.?

Demolition and Clearance

1. What code enforcements/standards have determined demolition/clearance needs?
2. What is the estimated average cost per location?
3. How many locations/structures will be cleared or demolished?
4. Do you anticipate relocation of any residents? If so, has a relocation/displacement plan been developed and adopted?
5. Do you anticipate demolition of any housing units that may require one-for-one replacement of low/moderate income housing?
6. Do the activities include non-structural clearance (e.g., vacant lots)?

Fire Protection Facilities

1. Does the applicant have its own local fire department or is the locality served through a cooperative agreement with another fire department located elsewhere?
2. What fire protection facilities and equipment currently exist to fight fires in the applicant's jurisdiction (e.g., fire station, fire trucks, EMS units, fire fighting equipment, etc.)?
3. Describe how the fire department is staffed and any effect the proposed project activities will have on its staffing level. Are the firefighters volunteer or paid? How many firefighters are there? How many are usually available to fight fires?
4. Does the applicant have an adequate water supply, adequate water pressure, and an adequate number of fire hydrants to fight local fires?
5. Will the proposed activities have any impact on the level of service currently provided (e.g., ability to suppress/prevent fires, incidence of fires, response time limitations, etc.)?
6. Will the proposed activities have any impact on the insurance "Key Rate"? The locality should provide a copy of the report of the most recent inspection by the State Board of Insurance of the locality's fire protection facilities (if available).
7. Describe any cooperative agreements involving fire protection between the applicant locality and other entities now in effect or that will result from the proposed project activities.
8. Discuss future needs as to operations and maintenance of the proposed project activities. How does the locality plan to meet these needs (include sources of funding)?

Accessibility Projects for Public Buildings/Facilities

1. What accessibility provisions are already available inside of and outside of the building/facility to which such activities are being proposed?
2. Is the applicant providing complete accessibility to the facility by including handicapped parking, ramps, handrails, doorway widening (exterior and interior doorways), restroom modifications, water fountains, access to upper and lower floors (elevator or lift), and other related improvements?
3. Has the applicant taken into account possible historic preservation concerns regarding proposed modifications to the building/facility?

Community/Senior/Social Service Centers

1. Has a location been selected for the center? If yes, describe.
2. If refurbishing an existing facility, has the Texas Historical Commission commented on the project?
3. What activities, programs, and organizations will utilize the facility?
4. What income guidelines (for eligibility) do any of the programs use?
5. Will any of the floor space be for general community use, i.e. not designated especially for a particular program? (Please include a map/drawing which clearly indicates dimensions and proposed use of all floor space for the new or renovated facility.)
6. Has the applicant clearly documented its claim on income eligible and/or area benefit for the low/moderate income persons regarding this project?

Solid Waste Disposal/Landfills

1. When was the current landfill site first developed?
2. What is the approximate size (acres) or dimensions (300' x 500') of the current landfill site?
3. What kind of equipment is currently located at the landfill site or used to operate the landfill and collect solid waste (e.g., compactor, earth moving equipment, dump trucks, etc.)?
4. Do localities other than the applicant's also use the landfill?
5. Are the applicant's current methods for operating the landfill meeting its permit parameters? If not, why not?
6. Will the current landfill site remain open, or be expanded, or will it be abandoned and a new site developed?

Each **Disaster Relief and Urgent Need Fund** applicant must describe the proposed activities to resolve the need(s) identified in the application for each project activity included in the application by answering the following general questions:

1. How does the applicant propose to resolve the identified need?
2. What activity or activities will be undertaken? (If applicable, describe any first time public water or sewer service that will be provided with this project).
3. What service area(s) or location(s) will benefit from the activity or activities?
4. Do any of the activities provide citywide or target area benefit (area benefit)? If it is a target area, please describe the target area or location boundaries.
5. Is any acquisition of real property (including easements and rights-of-way) included or anticipated in the proposed project? If YES: Describe the real property needed, activity needed for, and dollar amount budgeted.

This description of each proposed activity must include specific information such as:

- **number of units** (linear feet of pipe or pavement, width of pavement , gallons of capacity, gallons per minute/day, service connections, service reconnections, etc.)
- **types of material** (surface type, pipe material, etc.)
- **standards of performance** (HUD Section 8 Existing Housing Quality Standards, Southern Building Code, bring the system into compliance with..... etc.)
- **and locations** (subdivisions, street names, target areas, etc.)

Since the TXCDBG contracts (for funded applicants) will closely reflect the information described on the Page 3 Project Summary, please ensure this description accurately reflects the specifications provided in Table 2 (Budget Justification) and matches the locations shown on the Project Map. The applicant should also include the amount of TXCDBG funds requested and the amount of local/other funds provided to finance the proposed improvements.

Example:

The proposed project includes the installation of new sewer lines that will provide first time public sewer service to 33 households in the Breezy Acres Subdivision. The first-time sewer service activity includes the installation of approximately 1,000 linear feet of ten inch (10”) PVC sewer line, 4,000 linear feet of eight inch (8”) PVC sewer line, 3,500 linear feet of service line, 10 manholes, 5 cleanouts, fittings, 33 service connections, and toilet facilities for 2 households currently not served by sewer service in the Breezy Acres Subdivision.”

The target area benefit is located in an area bounded by I0th Street on the north, 1st Street on the south, Adams Avenue on the west and Austin Avenue on the east.

Construction of the sewer line will require the acquisition of easements in accordance with the Uniform Act. Acquisition is budgeted for approximately \$5,000. Construction will take place in the following locations:

<u>Street</u>	<u>From</u>	<u>To</u>
1st Street	Adams Avenue	Basin Street
2nd Street	Adams Avenue	Basin Street
3rd Street	Basin Street	Austin Avenue
4th Street	Downey Avenue	Cycle Avenue
King Avenue	1st Street	4th Street

The construction, acquisition, engineering, and administration activities shall be financed through \$186,000 of TXCDBG funds and \$18,600 of City funds.

All applicants must provide the following information:

PROJECT BENEFICIARY INFORMATION

The total number of project beneficiaries and information concerning the sex and race/ethnicity of the project beneficiaries. From the total number of project beneficiaries, the applicant must show the number of persons in each of the sex, race, and Hispanic origin categories. Applicants may use information obtained from the TXCDBG Survey Questionnaire or from 2000 Census data to provide this information. The number of males and females should equal the total number of project beneficiaries when added together. Likewise, the number of persons shown in the race and Hispanic origin categories should equal the total number of project beneficiaries when added together.

All applicants (Disaster Relief and Urgent Need) must document and report the beneficiaries of each proposed application activity **regardless of the national program objective met by the activity.** **Appendix II** provides information concerning acceptable methods for identifying project activity beneficiaries and criteria for meeting national program objectives (area benefit activities, housing activities, and limited clientele activities).

BENEFICIARY IDENTIFICATION METHODS

- Each applicant using TXCDBG Survey information to identify project beneficiaries must provide answers to questions (a), (b), and (c). See **Appendix III** for specific guidelines.
 - Each applicant using 2000 Census information to identify project beneficiaries must provide answers to questions (d) and (e). See **Appendix IV** for specific guidelines.
 - Each applicant must provide information concerning the number of project beneficiaries identified through the use of: TXCDBG Surveys, 2000 Census information, area benefit methods, housing activity methods, and limited clientele methods.
1. **The TXCDBG will not allow applicants to use any surveys or survey questionnaires completed prior to January 1, 1996** to document the beneficiaries of a **2008** application.
 2. TXCDBG surveys or survey questionnaires completed on or after January 1, 1996 (for 2008 applications) may be used if all the survey questionnaires or a subset of the total number of completed survey questionnaires were previously verified and approved by TXCDBG staff.

Beneficiaries identified through a housing rehabilitation estimation method should be included under Housing Activity Methods. Since an application may include multiple activities with different beneficiaries for each activity, the number of beneficiaries identified through these different methods, may not, when added together, equal the total project beneficiaries. As an example, an application which includes a citywide benefit activity (1,900 beneficiaries identified through 2000 Census information), an area benefit activity (82 beneficiaries identified through a TXCDBG Survey), housing rehabilitation activity (50 beneficiaries identified through housing activity methods) and a handicapped accessibility activity (285 beneficiaries identified through limited clientele methods), would benefit 1,900 total persons based on the citywide benefit activity and not 2,317 total persons (the total if all of the beneficiaries from each activity are added together).

(2000 Census now contains the level of beneficiary information needed for the application).

PROJECT SUMMARY

PAGE 1

In the space provided below, provide a description for each project activity included in the application which answers all the general questions, listed under:

"PROJECT SUMMARY - PAGE 1" on **Page 5** for **Disaster Relief and Urgent Need Fund** applicants

PROJECT SUMMARY**PAGE 2**

In the space provided below, each applicant must provide answers for all the ACTIVITY SPECIFIC QUESTIONS listed on Pages 6 - 10, for each project activity included by the applicant in the application. Please review "PROJECT SUMMARY - PAGE 2", on Page 5, for instructions covering each TXCDBG fund category.

PROJECT SUMMARY**PAGE 3**

In the space provided below, **each applicant must provide a description of the proposed activities by answering all five (5) of the questions, listed under "PROJECT SUMMARY - PAGE 3" on **PAGE 11**, for each project activity included in the application.** The applicant must provide a detailed and accurate description of the proposed facilities with specific information such as number of units, types of materials, standards of performance, locations, & proposed acquisition (if any) for each activity included in the application. Please review **Page 11** for further instructions.

PROJECT SUMMARY**PAGE 4**

Please review Page 12 for further instructions.

PROJECT BENEFICIARY INFORMATION

All applicants must provide the total number of project beneficiaries. From the total project beneficiaries, the applicant must provide the number of persons in each of the sex, race and Hispanic origin categories.

Total Project Beneficiaries _____		Male: _____		Female: _____	
White	Black/ African American	Asian	American Indian/ Alaskan Native	Native Hawaiian/ Other Pacific Islander	Hispanic
_____	_____	_____	_____	_____	_____
Black/ African American and White		Asian and White	American Indian/ Alaskan Native and White	American Indian/ Alaskan Native and Black/ African American	
_____		_____	_____	_____	

BENEFICIARY IDENTIFICATION METHODS

If the applicant is using the TXCDBG survey to identify beneficiaries, answer questions (a), (b), and (c). Appendix III contains specific guidelines for conducting a survey.

- (a) How many households/families will be assisted? _____
- (b) How many of the households/families responded to the survey? _____
- (c) What year(s) was the survey started and completed? _____

If the applicant is using 2000 Census information to identify beneficiaries, answer questions (d) & (e).

- (d) Has the applicant provided the required Census map? Yes ____ No ____
- (e) List all census tract, block numbering areas, or block groups, (full and partial) included in the project area. For city or county-wide projects, simply indicate "All".

_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Provide the number of project beneficiaries identified through each of the following methods:

Number Of Beneficiaries Identified Through TXCDBG Surveys:	_____
Number Of Beneficiaries Identified Through 2000 Census Information:	_____
Number Of Beneficiaries Identified Through Area Benefit Methods:	_____
Number Of Beneficiaries Identified Through Housing Activity Methods:	_____
Number Of Beneficiaries Identified Through Limited Clientele Methods:	_____

C. NATIONAL PROGRAM OBJECTIVES

Each activity proposed for funding under the Texas Community Development Block Grant Program **must address one or more of the following three national program objectives** outlined in Title I of the Housing and Community Development Act of 1974, as amended. These are:

1. Principally benefit low and moderate income persons. (At least fifty-one percent (51%) of the identified beneficiaries must have an income of less than 80% of the area median family income.)
2. Aid in the prevention or elimination of slum or blighted areas.
3. Meet other community development needs of particular urgency which represent an immediate threat to the health and safety of residents of the community.

The following is set forth as the definition of "slum or blighted area" to qualify an activity for consideration under the Texas Community Development Block Grant Program.

An area which has been designated a state enterprise zone, or an area within a municipality or county that is detrimental to the public health, safety, morals, and welfare of the municipality or county because the area:

1. has a predominance of buildings or other improvements that are dilapidated, deteriorated, or obsolete due to age or other reasons;
2. is prone to high population densities and overcrowding due to inadequate provision for open space;
3. is composed of open land that, because of its location within municipal or county limits, is necessary for sound community growth through replatting, planning, and development for predominantly residential uses; or
4. has conditions that exist due to any of the causes enumerated in 1), 2) or 3) above or any combination of those causes that:
 - A. endanger life or property by fire or other causes; or
 - B. are conducive to:
 - (a) the ill health of the residents;
 - (b) disease transmission;
 - (c) abnormally high rates of infant mortality;
 - (d) abnormally high rates of juvenile delinquency and crime; or
 - (e) disorderly development because of inadequate or improper platting for adequate residential development of lots, streets, and public utilities.

Localities should be aware when preparing an application for TXCDBG funds that meeting a national program objective only qualifies an activity for consideration. The national program objective must still be met by the activity.

On the following Pages (18-20) a separate page is provided for each of the three national program objectives. For each objective under which the proposed activity qualifies, check the appropriate box at the top of each page and then provide the requested information.

PRINCIPALLY BENEFITS LOW AND MODERATE INCOME PERSONS

Identifying Project Activity Beneficiaries (Appendix II), provides guidance for identifying the beneficiaries of a TXCDBG-eligible activity.

Below, the applicant must provide the method, or methods, used to identify the beneficiaries for **each application activity** (with the exception of the engineering and administration activities) and an explanation concerning the reasons why each method was used to identify the beneficiaries of the application activity.

Area Benefit	_____	Housing Activity Eligibility	_____
Citywide Benefit	_____	Limited Clientele Eligibility	_____

Justification of Beneficiary Identification Method:

For **each** beneficiary identification method checked above, explain why and how the method was used to identify the beneficiaries of the application activity.

For limited clientele eligibility, provide specific references to programs and income limits or the condition on which the limited clientele eligibility was based. The number of limited clientele beneficiaries must be substantiated through clientele lists or certified by the director of the facility or program.

PREVENTS OR ELIMINATES SLUM OR BLIGHTED AREA CONDITIONS

What conditions are present to designate and qualify the area as a slum or blighted area? Project activities must be located within the "slum or blighted areas" based on the conditions described on **Page 19** of the Application Guide and must address the condition contributing to the deterioration of the designated area.

Has the applicant shown the boundaries of the defined slum and blighted areas on the attached project map?

Yes _____ No _____

Applicants that qualify under the "Slum and Blight" national objective must still provide information on low/moderate income beneficiaries (**Table 1**). If beneficiaries were determined by survey, answer questions (a), (b), and (c) on **PAGE 4 of the Project Summary**. If determined by census data, answer questions (d) and (e) on **PAGE 4 of the Project Summary**.

ADDRESSES A DISASTER RELIEF/URGENT NEED SITUATION

Only applicants for Disaster Relief/Urgent Need funds need to qualify under this national program objective. As such, only applicants for Disaster Relief/Urgent Need funds must provide the following information.

The applicant has received either:

A Presidential Disaster Declaration Yes _____ No _____
or
The Governor's Declaration of State Emergency Disaster Yes _____ No _____

A copy of the Federal or State Disaster Declaration must accompany the application for **Disaster Relief** assistance.

The applicant has documentation that:

The condition has already threatened human life and safety or poses an imminent threat to human life, health, or safety. Yes _____ No _____

The TXCDBG **URGENT NEED EVALUATION FORM** (Pages 28-34 of this Application Guide) must accompany the application for Urgent Need assistance.

To qualify for Disaster Relief/Urgent Need funds, the applicant must meet the following threshold requirements:

The situation addressed in this application is unanticipated and beyond the control of the local government. Yes _____ No _____

The situation addressed in this application is of recent origin (within 12 months for **DR**; 30 days for **UN**). Yes _____ No _____

Local or other funds are not available to completely address the situation. Yes _____ No _____

The TXCDBG will evaluate the information provided by the Urgent Need applicant to determine if the applicant meets the threshold requirements.

NOTE: Applicants for Disaster Relief assistance must provide copies of FEMA Project Worksheets (PWs), copy of Project Contract or work description from NRCS, and any other pertinent information provided by the Governor's Division of Emergency Management (DEM), as well as all information concerning any other resources committed to the relief effort, including the applicant's own ability to finance the relief effort.

D. BENEFIT TO LOW AND MODERATE INCOME PERSONS - TABLE 1

On Table 1, the applicant provides the following information for each proposed application activity:

- The total number of beneficiaries, the number of low and moderate income beneficiaries, and the low and moderate income person benefit percentage; and
- The TXCDBG funds budgeted, the local or other funds budgeted, and the total funds budgeted.

Please follow closely the instructions provided below.

COLUMNS A AND B: ACTIVITY NAME AND ACTIVITY NUMBER

From the list provided on Page 23, provide the appropriate **number and name of each activity** included in this application. Generally, a minimum of three activities will be shown. **At least one construction item and General Administration are mandatory.** For most public works/facilities projects, engineering/architectural services should also be included even when paid with local or other funds.

In some cases, more than three activities apply, even if the application is for a single purpose. Examples include most projects requiring acquisition of real property. In this case, acquisition (Activity Number 24) must be shown as a separate activity. Another example would be a housing program including multiple aspects, such as Rehabilitation of Private Properties (Activity 17), Clearance and Demolition (Activity 20), and Relocation Payments and Assistance (Activity 25). Included with this example would be General Administration (Activity 32), but not Engineering/Architectural Services, since most housing programs do not require those services.

Each specific activity name and number should be shown only once unless there are different beneficiary groups for different portions of the same activity. If different beneficiary groups exist, letters should be used to subdivide the activity numbers. For example, if a water project involves construction of a well (area benefit to the entire city) plus line extensions and related service connections to one subdivision (area benefit to a smaller target area), the activity should appear twice: first as Activity 1a.(A), Water Facilities (Water Well); and second, Activity 1a.(B) Water Facilities (Line Extensions).

COLUMN C TYPE METHOD TO ACCOMPLISH PROPOSED ACTIVITY

For each activity name/number, identify how the proposed activity will be accomplished by providing the appropriate number.

- Insert number one (1) for those activities that will be accomplished through the **bid/contract process**
- Insert number two (2) for **force account labor**
- Insert number three (3) for a **combination of both** the bid/contract process and force account labor.

This must be done for administration and engineering activities as well as construction items.

COLUMN D TOTAL NUMBER OF PERSONS TO BENEFIT

Beneficiaries may be determined through the use of **2000 Census** information, through the use of information obtained from the **TXCDBG-approved survey**, and based on TXCDBG-accepted **limited clientele information**. **Appendix II** provides instructions for identifying beneficiaries.

Regardless of the method chosen, Column D should reflect all persons to benefit from the project, irrespective of income status.

For applications with multiple activities, each separate activity (with a different activity number) should **show separate beneficiary counts**. This is true when activities are proposed in different sectors of the jurisdiction, but also may be true when the activities are proposed in the same general vicinity.

For example, if street paving and sewer line improvements (each a direct benefit project) are both proposed in the northwest quadrant of a city, a survey conducted for the project should have two separate sub-tabulations calculated. If the two activities are proposed to occur on exactly the same streets for the exact same distances, the sub-tabulations will be identical, and the low/mod totals given on Table 1 will be the same. However, if the location of the paving and line work is not exactly contiguous, the two totals will be different.

When a multiple activity project (or a project with two different sub-activities under the same activity number) includes area benefit activities that benefit different residents in the same general area, there should be two separate sub-tabulations shown. Overlap of the beneficiaries from two or more area benefit activities can happen when multiple activities are concentrated in the same general target area. **The total given at the bottom of Table 1 should not double-count the beneficiaries that are receiving benefit from two or more area benefit activities.**

COLUMN E	TOTAL NUMBER OF LOW/MOD PERSONS TO BENEFIT
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Column E should reflect only those persons identified in Column D whose income falls below 80% of the county, statewide non-metropolitan, or metropolitan (PMSA, CMSA, MSA) median family income (**Low/Mod Persons**).

Appendix III provides an explanation of the TXCDBG requirements concerning the use of a **survey** to determine total and low/moderate income beneficiaries.

Appendix IV provides information on how to determine beneficiaries through the use of **2000 Census data**.

COLUMN F	PERCENT LOW/MOD BENEFIT
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Calculate the low/moderate income **percentage** by **dividing** the figure shown in **Column E** by the figure shown in **Column D** for each activity and sub-activity.

COLUMN G	TXCDBG FUNDS
-----------------	---------------------

Show the **amount of TXCDBG funds** requested for each activity or sub-activity in Column G.

For construction items, this figure must be substantiated on the **BUDGET JUSTIFICATION (Table 2)**. The amount requested for engineering/architectural services must be broken down by basic and special services to be provided.

COLUMN H	OTHER FUNDS
-----------------	--------------------

Show the amount and source of local or other **matching funds** for each activity or sub-activity in Column H.

Each **outside source** of match funding must be documented by a firm **letter of commitment**. (See Attachment 6).

Any **local match** funds must be documented in the **Resolution** (See **Attachment 1**), passed by the locality's governing body, firmly committing the funds.

Please note that any commitment of other funds for project-related activities must be documented as funds that would not be expended on that particular activity if the project is not funded by the TXCDBG (see **Attachment 7**).

COLUMN I	TOTAL FUNDS
-----------------	--------------------

Adding across, provide the sum of Columns G and H for each activity or sub-activity.

Using the example Project Summary Page 3 description from Page 11 of the Application Guide, the activities could be shown like this on Table 1:

A	B	C	D	E	F	G	H	I
1b	Sewer Facilities	1	100	70	70%	\$132,600	\$ 0	\$132,600
17b	Housing Activity - Sewer Service Connections	1	70	70	100%	\$ 32,400	\$ 0	\$ 32,400
24	Acquisition		100	70	70%	\$ 5,000	\$ 0	\$ 5,000
30	Engineering Services	1	N/A	N/A	N/A	\$ 8,000	\$10,600	\$ 18,600
32	General Administration	1	N/A	N/A	N/A	\$ 8,000	\$ 8,000	\$ 16,000
	TOTALS		100	70	N/A	\$186,000	\$18,600	\$204,600

TXCDBG PROJECT ACTIVITIES

<u>Activity Number</u>	<u>Activity Name</u>
1a	Water Facilities
1b	Sewer Facilities
2	Solid Waste Disposal Facilities
3	Other Public Utilities (gas, et al)
4	Street Improvements
5	Flood and Drainage Improvements
6	Neighborhood Facilities/Community Centers
7	Senior Centers
8	Centers for the Handicapped/Sheltered Workshops
9	Parks, Playgrounds, and other Recreational Facilities
10	Fire Protection Facilities and Equipment
11	Parking Facilities
12	Pedestrian Malls and Walkways
13	Specially Authorized Assistance to Privately Owned Utilities
14	Specially Authorized Public Facilities and Improvements
15	Public Services (limited to 15% of Total TXCDBG Request)
16	Interim Assistance
17	Rehabilitation of Private Properties
17a	Housing Activity - Water Service Connections
17b	Housing Activity - Sewer Service Connections
18	Rehabilitation of Public Residential Structures
19	Affordable New Housing or Homeownership Assistance or Public Housing Modernization
20	Clearance/Demolition Activities
21	Historic Preservation
22	Removal of Architectural Barriers
23	Code Enforcement
24	Acquisition
25	Relocation Payments and Assistance
30	Engineering/Architectural Services
31	Planning and Urban Environmental Design
32	General Administration

Note: The amount requested for general administration cannot exceed 16% of the combined TXCDBG amounts requested for construction and acquisition/relocation activities.

It should be noted here that the locality will be responsible for any cost incurred for General Administration (Program Administration, Compliance, Audit, etc.) that is over the TXCDBG-funded amount.

TABLE 1 - BENEFIT TO LOW AND MODERATE INCOME PERSONS

A. ACTIVITY NUMBER	B. ACTIVITY NAME	C. METHOD TYPE TO COMPLETE ACTIVITY	D. NUMBER OF PERSONS TO BENEFIT	E. NUMBER OF LOW/MOD PERSONS TO BENEFIT	F. PERCENT LOW/MOD BENEFIT	G. TXCDBG FUNDS	H. OTHER FUNDS (SHOW SOURCE)	I. TOTAL FUNDS
30	ENGINEERING/ARCHITECTURAL SERVICES		N/A	N/A	N/A			
	BASIC SERVICES							
	SPECIAL SERVICES							
32	GENERAL ADMINISTRATION		N/A	N/A	N/A			
	TOTALS	N/A			N/A			

ADMINISTRATIVE FUNDS ARE LIMITED TO 16% OF THE TOTAL TXCDBG CONSTRUCTION AND ACQUISITION/RELOCATION DOLLARS REQUEST
METHOD TYPE TO COMPLETE ACTIVITY: CONTRACT=1, FORCE ACCOUNT LABOR=2, COMBINATION=3

E. BUDGET JUSTIFICATION - TABLE 2

The completion of this form is required for all public works activities. Costs related to housing rehabilitation activities, other than water or sewer connections on private property related to the installation of first time water or sewer service do not have to be reflected on this form.

For projects involving more than one activity, this form should be prepared to reflect each separate activity and all the applicable costs for each separate activity.

As an example, if a project includes a water activity and a sewer activity (separate activities on Table 1 of the application), Table 2 should be prepared to show the construction, acquisition, engineering costs and total activity costs that are related to the water activity and the construction, acquisition, engineering costs and total activity costs that are related to the sewer activity.

Cost categories such as contingency funds, profit, overhead, and bonding should not be reflected here as separate costs (i.e., they should be built into the estimated construction costs).

COLUMN A	ACTIVITY
----------	----------

Activities shown on this form must be the same as those shown on Table 1.

Each activity cost and the total activity costs shown here must be consistent with those shown on Table 1.

If the project includes **separate budgets for area benefit and direct benefit activities**, it should be reflected.

COLUMN B COLUMN C	LABOR OR UNIT PRICE MATERIALS OR NUMBER OF UNITS
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In determining actual construction costs, two different methods may be used.

1. The construction costs may be broken into **labor (Column B)** and **materials (Column C)** components for each activity (this method must be used on activities for which the use of force account labor is proposed).
2. The other method involves the use of **unit price (Column B)** and the **number of units (Column C)** measures for each activity. The units used (e.g., linear feet, square feet, etc.) must be priced to include all proposed improvements related to and necessary for the major construction activity.

Please keep in mind that localities are prohibited from levying special assessments, fees and service connection/tap-on costs on low/moderate income persons to recover the TXCDBG-financed portion of a public improvement when TXCDBG funds are used to pay all or part of the cost of the public improvement. Localities can however, levy special assessments, fees and service connection/tap-on costs on low/moderate income persons to recover the portion of a public improvement financed from other funding sources provided that TXCDBG funds are used to pay these costs for the low/moderate income beneficiaries.

For public improvements that were not initially assisted with TXCDBG funds, TXCDBG funds may be used to pay special assessments and fees for low and moderate income persons when certain conditions exist. The payment of special assessments/fees constitutes TXCDBG assistance to the public improvement. Therefore, TXCDBG funds may be used to pay the assessments/fees on behalf of low and moderate income persons provided that: 1) the installation of the public improvements was carried out in compliance with requirements applicable to activities assisted under the TXCDBG, including labor, environmental, and citizen participation; 2) the installation of the public improvement meets a TXCDBG national program objective; and, 3) TXCDBG funds are used to pay the assessment/fees on behalf of low and moderate income persons.

Force account labor costs, whether to be paid with TXCDBG funds or construction hours to included as local match, must be based on the estimated TXCDBG contract-related be worked by force account workers and the hourly wages to be paid, and cannot be based on labor costs estimated through the bid/contract method.

The value of materials/supplies to be provided by the applicant, and already owned by the applicant, must be based on the purchase price of the materials and supplies at the time of purchase and cannot be based on the current purchase price of such materials/supplies.

Equipment costs for equipment owned by the locality, whether to be paid with TXCDBG funds or included as local match, must be based on a use allowance or depreciation (only if the equipment is not already fully depreciated and based on acquisition cost).

COLUMN D	TOTAL CONSTRUCTION COSTS
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If based on labor and materials, labor (Column B) and materials (Column C) are added together to arrive at the **total construction costs (Column D)**.

If based on unit price measures, the unit price (Column B) is multiplied by the number of units (Column C) to arrive at the **total construction costs (Column D)**.

COLUMN E	ACQUISITION
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Any proposed activity involving acquisition of real property, easements, rights-of-way, etc., must have the projected costs of this **acquisition** broken out by the activity for which the acquisition is needed (**Column E**). In developing these costs, compliance with the requirements of the Uniform Real Property Acquisition and Relocation Policies Act of 1970 must be taken into consideration.

COLUMN F	ENGINEERING/ARCHITECTURAL COSTS
-----------------	--

Engineering/architectural costs must be broken out by each construction activity and by **basic and special services (special services and their costs must be itemized on Table 2)** and entered in **Column F**.

To determine if these costs are reasonable, the TXCDBG will evaluate these costs in accordance with guidelines available from the Consulting Engineers Council of Texas. Applicants can contact the TXCDBG Procurement Specialist, or other TXCDBG staff, for information on engineering/architectural services costs for various TXCDBG eligible activities.

COLUMN G	TOTAL ACTIVITY COSTS
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Figures for **Column G, Total Activity Cost**, are obtained by adding together Columns D, E, and F to get the total costs for each activity.

COLUMN H	ANNUAL PROJECTED OPERATIONS & MAINTENANCE COSTS
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The source of funding and the projected annual cost for operations and maintenance expenses must be entered in **Column H, Annual Projected Operations and Maintenance Costs**.

Figures for Column H are based on projections of operations and maintenance costs for five years after the completion of the project activity. Divide the projected five-year costs by 5 to arrive at a yearly operations and maintenance cost. These costs are not made a part of the TXCDBG contract, but applicant localities should be aware of the future costs of operating and maintaining facilities financed with TXCDBG funds.

ENGINEER/ARCHITECT SIGNATURE AND SEAL
--

For public facilities projects, this form must be completed by a professional engineer or architect, licensed to practice in the State of Texas.

The engineer's or architect's signature and registration seal must be on the form.

Please also provide the date this form is completed and the engineer's or architect's telephone number.

When the professional seal is a pressure (non-ink) seal, please ensure that a penciled-over image of the seal is visible on the duplicate copy.

TABLE 2 - BUDGET JUSTIFICATION

A. ACTIVITY	B. LABOR OR UNIT PRICE	C. MATERIALS OR NUMBER OF UNITS	D. TOTAL CONSTRUCTION COSTS	E. ACQUISITION COSTS	F. ENGINEERING ARCHITECTURAL COSTS	G. TOTAL ACTIVITY COSTS	H. ANNUAL PROJECTED O & M COSTS

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SIGNATURE OF REGISTERED ENGINEER/ARCHITECT RESPONSIBLE FOR BUDGET JUSTIFICATION

(SEAL)

PHONE NUMBER

DATE

F. SPECIAL URGENT NEED INFORMATION

The following information must be provided by the applicant so that the TXCDBG staff can make the appropriate determinations concerning program requirements. Please review Pages **P-12– P-14** for an overview of the Urgent Need Fund procedures and requirements.

(A) DESCRIPTION OF URGENT NEED TO BE ADDRESSED: Describe the problem addressed by this application, along with its history. Be sure to provide evidence of the recent nature of this problem. Please attach all supporting documentation (letters, inspection reports, medical reports, etc.) received from the Texas Commission on Environmental Quality, Texas Department of Health, etc.

(B) PROPOSED ACTIVITIES TO ALLEVIATE THE CONDITIONS: Describe the proposed activities and cross reference with attached maps and Budget Justification (Table 2).

(For Urgent Need Fund Applicants Only)

This form must be completed by the Field Operations District Manager of the Texas Commission on Environmental Quality (TCEQ). Completion of this form does not necessarily represent an endorsement for Urgent Need funding by the agency completing the form.

1. Is there documentation of human fatality, illness or injury as a result of the problem for which the city/county is seeking emergency assistance?

Yes _____ No _____

IF YES: Please describe and attach any available documentation.

2. Provide any documentation of evidence that may constitute an imminent threat to human life or health?

- What is the nature of the possible imminent threat (e.g., contamination of drinking water; contamination of surface water; absence of a source of potable water)?

- Describe the threat, and if the threat is a result of contamination, please provide the following information described on the next page.

Type of contamination: _____

Level of contamination: _____

Maximum acceptable level: _____

Source of contamination, if known: _____

3. Has TDH or TCEQ previously cited the problem for which the city/county is seeking assistance?

Yes _____ No _____

If Yes: How many times? _____

And when? _____

Was corrective action recommended?

Yes _____ No _____

Was corrective action taken?

Yes _____ No _____

If No: Was the situation something that could have been anticipated by the city/county?

Yes _____ No _____

Please attach a copy of all correspondence from TDH or TCEQ with the city/county concerning this problem.

Signature _____

Date _____

Title _____

Telephone # _____

State Agency _____

LOCAL FINANCIAL CAPACITY/FINANCING OF INFRASTRUCTURE FORM
--

(C) LOCAL FINANCIAL CAPACITY

Was there a surplus in the local general fund
or utility fund at the end of the last fiscal year?

Yes _____ No _____

If Yes, how much is this surplus?

General Fund

\$ _____

Utility Fund

\$ _____

How much is the local property tax valuation/base?

\$ _____

What is the local property tax rate?

What is the collection delinquency rate?

_____ %

Does the city/county collect the local sales
tax option under state law?

Yes _____ No _____

What percent sales tax does the locality levy?

_____ %

(D) LOCAL FINANCING OF INFRASTRUCTURE

NOTE: If the capital improvements are under the control of an entity other than the city/county (e.g., WSC; MUD or WCID), please include the information for these entities as well as the city/county when answering the following:

Traditionally, has the city/county financed infrastructure improvements through:

General Revenues _____

Federal/State Grant Programs _____

User Fees _____

Bonds/Certificates of Obligation _____

What is the current
level of bonded/other indebtedness?

Total

\$ _____

Per Capita

\$ _____

What is the current
level of unutilized bonding capacity?

Total

\$ _____

What is the residential water rate?

Minimum

Average Monthly Bill

\$ _____

What is the residential sewer rate?

Minimum

Average Monthly Bill

\$ _____

OTHER FEDERAL/STATE FUNDING SOURCES FORM

What other state or federal agencies has the city/county contacted concerning funding of this project? (Attach copies of correspondence to/from these agencies)

Delineate the type; amount; source and conditions for funding available from these sources. Please note that this is an Urgent Need application threshold requirement.

(For Urgent Need Applicants Only)

This form must be completed by the Field Operations District Manager of the Texas Commission on Environment Quality (TCEQ). Completion of this form does not necessarily represent an endorsement for Urgent Need funding by the agency completing the form.

1. Is there documentation of human fatality, illness or injury as a direct result of the problem for which the city/county is seeking emergency assistance? Yes _____ No _____

IF YES: Please describe and attach any available documentation.

2. Provide any documentation of evidence that may constitute an imminent threat to human life or health?
- What is the nature of the possible imminent threat (e.g., contamination of drinking water; contamination of surface water; absence of a source of potable water)?

 - Describe the threat, and if the threat is a result of contamination, please provide the following information.

Type of contamination: _____

Level of contamination: _____

Maximum acceptable level: _____

Source of contamination, if known: _____

3. Did the TCEQ first cite the problem for which the city/county is seeking assistance within the past 30 DAYS? Yes _____ No _____

If Yes: How many times? _____ And When? _____

4. Did TDH or TCEQ previously cite the problem for which the city/county is seeking assistance more than 30 days prior to today's date? Yes _____ No _____

If Yes: How many times? _____ And When? _____

Was corrective action recommended? Yes _____ No _____

Was corrective action taken? Yes _____ No _____

If No: Was the situation something that could have been anticipated by the city/county? Yes _____ No _____

Please attach a copy of all correspondence from TDH or TCEQ to the city/county or water/sewer system operator concerning this problem.

Signature _____ Date _____

Title _____ Phone # _____

Signature _____ FAX# _____

State Agency _____

ATTACHMENTS

ATTACHMENT 1

LOCAL GOVERNMENT RESOLUTIONS

Any **application** for Texas Community Development Block Grant Program assistance **must be submitted with a resolution** from the local governing body (City Council or County Commissioners Court) **authorizing the submission of that application**.

The resolution must be adopted/passed prior to the submission of the TXCDBG application.

The resolution must be adopted/passed after the first application public hearing has been held.

Failure to comply with these resolution requirements may result in disqualification of the application.

This resolution must, at a minimum:

1. **Authorize the submission of an application** for funding under the Texas Community Development Block Grant Program.
2. Designate **the fund category** under which the application is to be considered (Disaster Relief Fund or Urgent Need Fund).
3. Designate the **activities** addressed in the application.
4. Designate **dollar amount** being requested.
5. **Designate a person** (e.g., Mayor, County Judge, City Manager) who will be **authorized to execute documents** in conjunction with the application.
6. **Commit to the provision of resources by source and use** (if applicable) in support of the proposed project activities, including the specific source (e.g., General Fund, Water/Sewer Fund, General Obligation Bonds) and use of those resources. This commitment must follow guidelines as set forth in **Attachment 6**.

In a **multi-jurisdiction application**, a **cooperation agreement must also be included** and signed by all participating local governments, and must state which participant will serve as the lead administrative entity if the project is funded. **Additionally, each locality participating in a multi-jurisdiction application must submit a resolution as outlined above.**

When a county submits an application on behalf of an incorporated city, the incorporated city must provide a copy of a resolution by the governing body of the city authorizing the county to submit the application on the city's behalf.

A SAMPLE RESOLUTION IS PROVIDED ON THE FOLLOWING PAGE

SAMPLE RESOLUTION

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF XYZ, TEXAS, AUTHORIZING THE SUBMISSION OF A TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM APPLICATION TO THE OFFICE OF RURAL COMMUNITY AFFAIRS FOR THE **DISASTER RELIEF FUND (OR THE URGENT NEED FUND)**, AND AUTHORIZING THE MAYOR TO ACT AS THE CITY'S EXECUTIVE OFFICER AND AUTHORIZED REPRESENTATIVE IN ALL MATTERS PERTAINING TO THE CITY'S PARTICIPATION IN THE COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM.

WHEREAS, the City Council of the City of XYZ desires to develop a viable urban community, including decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low/moderate income; and

WHEREAS, certain conditions exist which represent a threat to the public health and safety; and

WHEREAS, it is necessary and in the best interests of the City of XYZ to apply for funding under the **2008** Texas Community Development Block Grant Program;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF XYZ, TEXAS:

1. That a Texas Community Development Block Grant Program application for the Disaster Relief Fund (OR the Urgent Need Fund) is hereby authorized to be filed on behalf of the City with the Office of Rural Community Affairs.
2. That the City's application be placed in consideration for funding under the Disaster Relief Fund **OR** the Urgent Need Fund.
3. That the application be for \$350,000.00 of grant funds to connect to the city of New Water's water system as a means of obtaining a permanent water source.
4. That the City Council directs and designates the Mayor as the City's Chief Executive Officer and Authorized Representative to act in all matters in connection with this application and the City's participation in the Texas Community Development Block Grant Program.
5. That it further be stated that the City of XYZ is committing \$125,000.00 from its General Fund as a cash contribution toward the construction and administration activities of this water system improvements program.

Passed and approved this 12th day of October, 2008.

John Doe, Mayor
City of XYZ, Texas

Mary Smith, City Secretary
City of XYZ, Texas

Prior to the submission of an application for TXCDBG funds, each applicant must hold one public hearing and publish a notice that describes the activities and the availability of the application(s) for public review.

The public hearing gives citizens information about the Texas Community Development Block Grant Program, eligible program activities, and opportunity to participate in the development of TXCDBG applications.

The public notice concerning the activities and locations included in the applications gives citizens information on proposed uses of funds and an opportunity to review and comment on the application(s) prior to submission.

Other requirements must be followed for the 2008 program year:

- Public notices should also be prominently posted in public buildings **and distributed to local Public Housing Authorities and other interested community service providers.**
- **Persons with disabilities** must be able to attend the hearing and an applicant must make arrangements for persons requiring **auxiliary aids or services**, if contacted at least two days prior to the hearing.
- **Local organizations that provide services or housing for low to moderate income persons**, including but not limited to, the local Public Housing Authority, the local Health and Human Services office, and the local Mental Health and Mental Retardation office, **must receive written notification concerning the date, time, location and topics to be covered at the public hearing.**

The **written notice sent to local service providers** for the public hearing must include the **date, time, location and topics** to be considered at the public hearing (a copy of the notice to be published for the public hearing will suffice if the notice includes all of the required information). An applicant should send this notification to service providers serving the jurisdiction's residents. If a local office is located in the community, then the notification should be sent to that office. If a local office is not located in the community, then the notification should be sent to the local or regional office location that serves the jurisdiction's residents.

To show that proper notice of the public hearing and application activities was given to citizens, each applicant, including participating jurisdictions in a multi-jurisdiction application, must submit with the application:

- **A copy of the actual published public hearing notice** (full page of the newspaper with publication title and date **or** publisher's affidavit and a copy of the notice) for the required public hearing. The notice must conform with the requirements of the Citizen Participation Plan including specifics such as the date, time, location of the hearing and the topics to be discussed.
- **A copy of the actual published notice of the application(s) activities and availability of the application(s) for public review** (full page of the newspaper with publication title and date **or** publisher's affidavit and a copy of the notice). The notice must conform with the requirements of the Citizen Participation Plan including the timing of the published notice and the information included in the notice.
- **A listing of the local service providers that were sent the notification of the public hearing.** Copies of the written notifications must be kept by the applicant and reviewed by TXCDBG staff during site visits. Again, the written notification must conform with the requirements of the Citizen Participation Plan including specifying the date/time/location of the hearing and the topics to be discussed.

The applicant has certified compliance with the TXCDBG Citizen Participation Plan requirements (Pages P-16 & P-17) by signing the 424 FORM. Please review the Citizen Participation Plan requirements carefully. Failure to comply with these requirements may result in disqualification of the application. **Details such as checking to see if the public notices are published on the correct days are recommended. Waiting until a few days before the application deadline to go to the newspaper for the publisher's affidavit is not recommended. At that point, it could be too late to fix a public hearing problem.**

SAMPLE PUBLIC HEARING NOTICE AND APPLICATION ACTIVITIES NOTICE

SAMPLE PUBLIC HEARING NOTICE

(Published on September 18, 2008:)

PUBLIC NOTICE

CITY OF XYZ

TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The City of XYZ will hold a public hearing at 7:00 p.m. on September 23, 2008, at XYZ City Hall in regard to the submission of a **Disaster Relief Fund** (OR **Urgent Need Fund**) application to the Office of Rural Community Affairs for a Texas Community Development Block Grant Program (TXCDBG) grant. The purpose of this meeting is to allow citizens an opportunity to discuss the Citizen Participation Plan, to obtain citizen comments on the development of a Disaster Relief (or Urgent Need) application to address damages caused by April 2008 floods, and inform the citizens of TXCDBG funding available, all eligible TXCDBG activities, and the use of past TXCDBG funds. The City encourages citizens to participate in the development of this TXCDBG application and to make their views known at this public hearing. Citizens unable to attend this meeting may submit their views and proposals to John Doe, City Manager, at the City Hall. Persons with disabilities that wish to attend this meeting should contact City Hall to arrange for assistance. Individuals who require auxiliary aids or services for this meeting should contact City Hall at least two days before the meeting so that appropriate arrangements can be made.

SAMPLE APPLICATION ACTIVITIES NOTICES

(Published on October 22, 2008:) (for a city applicant)

PUBLIC NOTICE

CITY OF XYZ

TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The City of XYZ is giving notice of the city's intent to submit a **Disaster Relief** Fund application for a grant from the Texas Community Development Block Grant Program. The grant application request is \$350,000 for a water supply project that will connect the city of XYZ to the city of New Deal's water system. The application is available for review at City Hall during regular business hours and will be submitted to the Office of Rural Community Affairs on October 28, 2008.

(Published on October 22, 2008:) (for a county applicant)

PUBLIC NOTICE

XYZ COUNTY

TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

The County of XYZ is giving notice of the county's intent to submit a Texas Community Development Block Grant Program grant application in the amount of \$350,000 from the **Urgent Need** Fund to eliminate contaminants from the county's water system and replace the water tower which was also damaged by a recent explosion. The application is available for review at the County Courthouse during regular business hours and will be submitted to the Office of Rural Community Affairs on October 28, 2008.

Each application for TXCDBG funding must be accompanied by a project map, or maps, which clearly show the following information:

- 1. The boundaries of the applicant's jurisdiction**
- 2. The locations of all proposed project activities**

IF THE APPLICANT IS AN INCORPORATED CITY, THE MAPS MUST SHOW:

- the city's corporate city limits
- the locations of all proposed project activities including any activities located outside of the city's corporate city limits (e.g., sewer/water lines, lift stations, street pavement, water storage tanks, water wells, wastewater treatment plants etc.)

IF THE APPLICANT IS A COUNTY, THE MAPS MUST SHOW:

- the boundaries of the county
- the locations of the target area community or communities within the county
- the locations of all proposed project activities within the target areas (e.g., sewer/water lines, lift stations, road improvements, water storage tanks, water wells, wastewater treatment plants etc.)

APPLICANTS USING 2000 CENSUS DATA TO DOCUMENT PROJECT BENEFICIARIES MUST PROVIDE CENSUS MAPS WHICH CLEARLY SHOW:

- all of the Census geographic areas (e.g., census tracts, block numbering areas, block groups) within the applicant's jurisdiction where census data is used to document project beneficiaries
- and locations of the project activities on the same census maps
- the census tract numbers, block numbering area numbers, and block group numbers must be legible on these census maps

If project beneficiaries are determined on the basis of area benefit, the project area or service area boundaries must also be delineated on the map.

The **map locations** of all proposed project activities **should match** the description of these **locations** provided by the applicant **on Page 3, of the PROJECT SUMMARY.**

(**Note:** Maps must be reproducible. Care should be taken in copying maps so that project activities, which may have been designated by a colored mark, are still identifiable.)

It is the policy of the Office of Rural Community Affairs to encourage minority employment and participation among all applicants under the Texas Community Development Block Grant Program. All applicants to the Texas Community Development Block Grant Program are required to submit information documenting the level of minority participation as part of the application for funding. *(Although the minority employment information is not used to determine the eligibility of a Disaster Relief or Urgent Need application, the information is required for other reporting purposes).*

The **TXCDBG MINORITY EMPLOYMENT FORM (Page 42)** **must** be completed and submitted by every Texas Community Development Block Grant Program applicant and **must** be signed/certified by the Chief Local Official of the applicant jurisdiction (County Judge or Mayor) and by the person responsible for preparing the form. **The TXCDBG shall assume that the applicant has reviewed the accuracy of the information and agrees with the information that has been provided.**

The information provided by the applicant on this form must include **all full-time permanent employees of the jurisdiction only**. The TXCDBG defines **full-time permanent employees** as:

1. Employees working a minimum of thirty (30) hours a week.
2. Persons paid from regular city or county revenues that are included in the city or county annual budget.
3. An employee of the jurisdiction who has federal income tax withheld from the employee's salary or wages.

Persons not qualifying as full-time permanent employees are:

1. Employees working less than thirty (30) hours a week;
2. Persons not paid from regular city or county revenues included in the city or county annual budget. This includes temporaries working on a seasonal basis (whether part -time or full-time) or hired for the duration of a particular job or operation. Persons paid from resources such as Green Thumb and the Job Training Partnership Act (JTPA);
3. Any employee of the jurisdiction who does not have federal income tax withheld from the employee's salary or wages; or
4. Elected Officials.

The information on the TXCDBG MINORITY EMPLOYMENT FORM should reflect current information as close as possible to the submission date of the application.

*** Each of the participating applicants in a multi-jurisdiction application must submit a completed TXCDBG MINORITY EMPLOYMENT FORM.**

The information requested here must be submitted on the TXCDBG MINORITY EMPLOYMENT FORM only. Information provided through computer printouts or other submission will not be accepted in lieu of this form.

Each applicant that is awarded 2008 program year funds will be required to prepare an Equal Employment Opportunity Plan as part of its contract activities. The plan will include the efforts that the city or county will take to achieve or encourage employment parity or in instances when the city or county has achieved employment parity, the efforts that the city or county will take to maintain employment parity.

An applicant should use the following definitions to determine the correct race and Hispanic category for each full-time permanent employee:

Hispanic or Latino - A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. The term, "Spanish origin," can be used in addition to "Hispanic or Latino."

Non Hispanic or Latino – A person not of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.

White - A person having origins in any of the original peoples of Europe, the Middle East, or North Africa.

Black or African American - A person having origins in any of the black racial groups of Africa. Terms such as: "Haitian" or "Negro" can be used in addition to "Black or African American."

Asian – A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand and Vietnam.

American Indian or Alaskan Native - A person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment.

Native Hawaiian or Other Pacific Islander – A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific islands.

ATTACHMENT 4

TXCDBG MINORITY EMPLOYMENT FORM

The Information provided by the applicant in this form must include current information on **All Full-Time Permanent Employees**. Elected Officials, Part- Time, or Temporary Employees must not be included on this form.

APPLICANT JURISDICTION: _____

MALE	FEMALE
White _____	White _____
Black/ (African American) _____	Black (African American) _____
Asian _____	Asian _____
American Indian/Alaskan Native _____	American Indian/Alaskan Native _____
Native Hawaiian/Other Pacific Islander _____	Native Hawaiian/Other Pacific Islander _____
Black/African American and White _____	Black/African American and White _____
Asian and White _____	Asian and White _____
American Indian/Alaskan Native & White _____	American Indian/Alaskan Native & White _____
American Indian/Alaskan Native and Black/African American _____	American Indian/Alaskan Native and Black/African American _____
Hispanic _____	Hispanic _____
Other or Multi-Racial _____	Other or Multi-Racial _____
TOTAL FULL-TIME PERMANENT MALE EMPLOYEES _____	TOTAL FULL-TIME PERMANENT FEMALE EMPLOYEES _____
	TOTAL FULL-TIME PERMANENT EMPLOYEES (Male and Female) <input type="text"/>

CERTIFICATION: I certify that the information given on this form is correct and true to the best of my knowledge and was reported in accordance with the instructions. I also attest that this information reflects current information prior to submission of the application and supporting documentation will be maintained and available at any time for review by the Office of Rural Community Affairs.

NAME OF TXCDBG MINORITY FORM PREPARER (PLEASE PRINT)

TITLE

SIGNATURE

TELEPHONE NUMBER

AUTHORIZED SIGNATORY (Mayor, County Judge, Local Official)

DATE
REVIEWED/SIGNED

ATTACHMENT 5**TXCDBG APPLICANT/RECIPIENT DISCLOSURE/UPDATE REPORT**

Section 102 of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3531, P.L. 101-235 approved 12-15-89) and HUD implementing regulations at 24 CFR Part 12, contain disclosure requirements for TXCDBG applicants and recipients.

The **TXCDBG APPLICANT DISCLOSURE REPORT (Attachment 5, Pages 46 & 47)** must be completed by every TXCDBG applicant. The Form must be signed by the person (e.g., Mayor, County Judge, City Manager) **authorized to execute documents** in conjunction with the TXCDBG application or TXCDBG contract.

Provisions at Subpart C of 24 CFR Part 12 require a TXCDBG applicant requesting assistance for a specific project or activity to make a number of disclosures. **Each TXCDBG applicant must disclose the following information:**

- **Assistance from other government sources in connection with the TXCDBG project.**
- **The financial interests of persons in the TXCDBG project.**
- **The sources of funds to be made available for the project.**
- **The uses for which the funds are to be utilized.**

TXCDBG applicants and recipients must submit **updates to reflect substantial changes** to the information required on the disclosure report. The period during which updates are required begins when the application is submitted and ends when the applicant is denied funding, or when a TXCDBG recipient has discharged all of its obligations under the terms of the TXCDBG contract including the submission of all required reports. Updates must be **submitted within 30 days** of the change requiring the update.

INSTRUCTIONS FOR COMPLETING THE FORM

Privacy Act Statement. Except for Social Security Numbers (SSNs) and Employer Identification Numbers (EINs), the Texas Community Development Block Grant Program (TXCDBG) is authorized to collect all information required by this form under Section 102(b) and (c) of the Department of Housing and Urban Development Reform Act of 1989, Pub. L. 101-235, approved December 15, 1989. Disclosure of SSNs and EINs is optional. The TXCDBG will make available to the public all applicant disclosure reports for five years in the case of applications for competitive assistance, and for generally three years in the case of other applications. Update reports will be made available along with the disclosure reports, but in no case for a period less than three years. All reports, both initial reports and update reports, will be made available in accordance with the Texas Open Records Act (Texas Civil Statutes, Art. 6252-17a). You must provide all the required information. Failure to provide any required information may delay the processing of your application and may result in sanctions and penalties, including imposition of the administrative and civil penalties specified under 24 CFR Section 12.34.

PART I**APPLICANT/RECIPIENT INFORMATION**

All TXCDBG applicants (Initial Report) must complete the information requested by PART I. Please indicate that the disclosure is the **initial report**.

1. Enter the full **name, address, city, state, zip code** and **telephone number** (including area code) of the applicant. The Application Identifier will be entered by TXCDBG staff.
2. Applicants provide a **brief description of the proposed project/activity and the location** by city and county. (Examples: The replacement of water lines in the City of XYZ located in ABC County. The provision of first time sewer service through the installation of collection lines in the unincorporated ABC Community located in XYZ County.)
3. Applicants enter the **amount of TXCDBG assistance** that is being requested.

PART II**OTHER GOVERNMENT ASSISTANCE PROVIDED/REQUESTED**

Applicants must report any other government assistance involved in the project or activity for which TXCDBG assistance is sought.

"Other government assistance" is defined to include any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit or any other form of direct or indirect assistance from the Federal government, a State (other than the TXCDBG assistance requested in the application), or a unit of general local government, or any agency or instrumentality thereof, that is available, or is expected to be made available with respect to the project or activities for which TXCDBG assistance is sought. For purposes of this definition, other government assistance is expected to be made available if, based on an assessment of all the circumstances involved, there are reasonable grounds to anticipate that the assistance will be forthcoming.

Applicant disclosures must include all other government assistance involved with the TXCDBG assistance, as well as any other government assistance that was made available before the request, but that has a continuing presence at the time of the assistance request. Space is provided to enter four (4) sources of other government assistance. If more space is needed, attach an additional page.

- If the applicant has No Other Government Assistance To Disclose, then place a mark in the box and proceed to PART III.
- Enter the name of the government agency making the assistance available. If applicable, include at least one organizational level below the agency name. For example, Federal Emergency Management Agency, Texas Water Development Board. Department of Commerce, Economic Development Administration; Natural Resources Conservation Service, Texas Department of Housing and Community Affairs, HOME.
- Enter the address, city, state, and zip code of the government agency making the assistance available.
- Enter the program name and any relevant identifying numbers, or other means of identification, for the other government assistance.
- State the type of other government assistance (e.g., applicant contribution, loan, grant, loan insurance).
- Enter the dollar amount of the other government assistance that is, or is expected to be, made available with respect to the project of activities for which TXCDBG assistance is sought (applicants) or has been provided (recipients).

PART III**INTERESTED PARTIES**

1. Applicants must provide information on all **developers, contractors, or consultants** involved in the application for TXCDBG assistance or in the planning, development, or implementation of the project or activity; and
2. **Any other person who has a financial interest** in the project or activity for which TXCDBG assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower). "A financial interest" means any financial involvement in the project or activity, including (but not limited to) situations in which an individual or entity has an equity interest in the project or activity, shares in any profit on resale or any distribution of surplus cash or other assets of the project or activity, or receives compensation for any goods or services provided in connection with the project or activity. Residency of an individual in housing for which assistance is being sought is not, by itself, considered a covered financial interest.
 - If the applicant has No Persons With A Reportable Financial Interest To Disclose, then place a mark in the box and proceed to PART IV.
 - Enter the full names and addresses of all persons referred to in paragraph 1. or 2. of this PART. If the person is an entity, the listing must include the full name of each officer, director, and principal stockholder of the entity.
 - Entry of the Social Security Number or Employee Identification Number, as appropriate, for each person listed is optional.
 - Enter the type of participation in the project or activity for each person listed; i.e., the person's specific role in the project (e.g., contractor, consultant, planner, investor).
 - Enter the financial interest in the project or activity for each person listed. The interest must be expressed both as a dollar amount and as a percentage of the amount of TXCDBG funds involved.

PART IV

REPORT ON EXPECTED SOURCES AND USES OF FUNDS

The applicant disclosure report must specify all expected sources of funds from the TXCDBG and from any other source that have been, or are to be, made available for the project or activity. Non-TXCDBG sources of funds typically include (but are not limited to) the applicant's local contribution, other government assistance referred to in PART II, equity and amounts from foundations and private contributions. The report must also specify all expected uses for which the funds are to be utilized. All sources and uses of funds must be listed if, based on an assessment of all the circumstances involved, there are reasonable grounds to anticipate that the source or use will be forthcoming.

If any of the source/use information required by this report has been provided elsewhere in the application, the applicant need not repeat the information, but should refer to the application form and location to incorporate the information into this report. Applicants may cite application documents which contain some of this information such as the 424 Form, Project Summary, Table 1, Table 2, Letters of Commitment, etc.

For the source of funds, indicate that the information can be found on the Cover Sheet, 424 Form, Table 1, the Local Resolution, and Letters of Commitment.

Otherwise each reportable source of funds must indicate:

- The name and address, city, state, and zip code of the individual or entity making the assistance available. If applicable, include at least one organizational level below the agency name. For example, U.S. Department of Transportation, U.S. Coast Guard; Department of Safety, Highway Patrol; Natural Resources Conservation Service, Emergency Watershed Program.
- The program name and any relevant identifying numbers, or other means of identification, for the assistance.
- The type of assistance (e.g., applicant contribution, loan, grant, loan insurance).

For the use of funds, indicate that the information can be found on Page 3, Project Summary, Table 1, Table 2, and the Project Map.

Otherwise, each reportable use of funds must clearly identify the purpose for which the funds will be utilized.

UPDATE REPORTS

During the period in which a TXCDBG application is pending, the applicant must make the following additional disclosures:

1. Any information that should have been disclosed in connection with the application, but was omitted.
2. Any information that would have been subject to disclosure in connection with the application, but that arose at a later time, including information concerning an interested party that now meets the applicable disclosure threshold referred to in PART II above.
3. For changes in previously disclosed Other Government Assistance that exceeds the amount that was previously disclosed.
4. For changes in previously disclosed financial interests, any change in the amount of the financial interest of a person that exceeds the amount of the previously disclosed interests by \$50,000 or by 10 percent of such interests (whichever is lower).
5. For changes to previously disclosed sources of funds, any change in a source of funds that exceeds the lower of:
 - The amount previously disclosed for that source of funds by \$250,000 or by 10 percent of the amount previously disclosed for that source, whichever is lower; or
 - The amount previously disclosed for all sources of funds by \$250,000 or by 10 percent of the amount previously disclosed for all sources of funds, whichever is lower.

For changes to previously disclosed uses of funds, any change in a use of funds that exceeds the lower of:

- The amount previously disclosed for that use of funds by \$250,000 or by 10 percent of the amount previously disclosed for that use, whichever is lower; or
- The amount previously disclosed for all uses of funds by \$250,000 or by 10 percent of the amount previously disclosed for all uses of funds, whichever is lower.

ATTACHMENT 5 TXCDBG APPLICANT/RECIPIENT DISCLOSURE/UPDATE REPORT

PART I APPLICANT/RECIPIENT INFORMATION

Indicate Whether This Is An Initial Report ☐ Or An Update Report ☐

1. Applicant Name, Address, And Phone Number (Include Area Code)	TXCDBG Assigned Number
2. Project Assisted/To Be Assisted (Project/Activity Description And Its Location By City And County)	3. Amount Requested/ Received \$

PART II OTHER GOVERNMENT ASSISTANCE PROVIDED/REQUESTED

No Other Government Assistance To Disclose ☐

1. Department/State/Local Agency Name		Address (City, State and Zip Code)
Program	Type Of Assistance	Amount Requested/Provided
2. Department/State/Local Agency Name		Address (City, State and Zip Code)
Program	Type Of Assistance	Amount Requested/Provided
3. Department/State/Local Agency Name		Address (City, State and Zip Code)
Program	Type Of Assistance	Amount Requested/Provided
4. Department/State/Local Agency Name		Address (City, State and Zip Code)
Program	Type Of Assistance	Amount Requested/Provided

PART III		INTERESTED PARTIES	
There Are No Persons With A Reportable Financial Interest To Disclose <input type="checkbox"/>			
List All Persons With A Reportable Financial Interest In The Project Or Activity	Social Security Number Or Employee ID Number	Type Of Participation In Project/Activity	Financial Interest In Project/Activity (Dollars And %)

PART IV	REPORT ON EXPECTED SOURCES AND USES OF FUNDS
Source Of Funds	
Use Of Funds	

CERTIFICATION: I certify that the information given on this form is true and complete.

Signature	Date
-----------	------

There are several ways in which cities and counties can use other resources in support of TXCDBG funded activities. **This support can include:**

- **In-kind Services**
- **Force Account Labor and Equipment (salaries/equipment for project construction)**
- **Local Volunteer Labor (salaries/hourly wages earned, but not paid)**
- **City or County Owned Land (to be specifically used or donated to the project)**
- **City or County Owned Materials (either construction or administration materials)**
- **Force Account Administration (administrative salaries)**
- **Applicant General Revenue Funds**
- **Local, State, or Federal Funds.**

While other resources are strongly encouraged, the **commitments** for these matching funds **must be fully documented as to source, type, use, and minimum dollar amount** before they can be considered in the scoring of an application.

Local government resource commitments must be made in the form of a **Resolution from the City Council or County Commissioners Court**. This resolution must, at a minimum, indicate the **type** of resource (e.g., land, labor, materials, money, etc.) and the **source**, a **minimum dollar value** to be provided, and for what **purpose(s)** this resource will be used. Please note here that local match can only be counted for expenditures that would not occur (with the exception of local funds expended for consultant engineering and administrative services) if the proposed application is not funded.

Resource commitments provided by other local entities (e.g., public housing authority, special utility districts, private financial institutions or other similar sources leveraging loan funds with a local housing rehabilitation program or other TXCDBG-eligible activity) **must be documented in a letter signed by a person authorized by that entity to make such a commitment**. This letter should identify the **resource to be provided**, a **minimum dollar value** to be provided, and for what **purpose** this resource will be used. Applicants who are unsure about the eligibility of a commitment from other local entities should contact TXCDBG staff.

Commitments for other State or Federal funds (e.g., Texas Water Development Board, Rural Utility Service, Federal Emergency Management Agency [FEMA], Natural Resources Conservation Service [NRCS]) **must be supported by a grant/loan offer, contract award letter, etc., signed by a person authorized to make such a commitment for that agency** for an activity directly related to activities included in the TXCDBG funding request. This evidence must include identification of the **resource**, a **minimum dollar value**, and the **purpose** for which this resource will be used. Also, these resources cannot have been expended before the application is submitted.

Additionally, the use of other funds (e.g., federal, state, or local), in conjunction with TXCDBG funds, generally triggers a series of compliance requirements on those other funds that might not be applicable if those funds were to be used independently as a separate project. These requirements include but are not limited to: environmental review, labor standards, real property acquisition (including easements), prohibition of special assessments, and financial management procedures.

The following guidelines serve to clarify the type of match acceptable under the Texas Community Development Block Grant Program. Acceptable types of match can be any of the following:

1. **Cash Only**
2. **In-kind Services/Equipment Use**
3. **Materials or Supplies**
4. **Land**
5. **Any Combination Of The Above**

Funds expended prior to submission of the application shall not be counted as matching funds under the Urgent Need Matching Funds threshold requirement.

The only exceptions to this policy are local/other funds expended for engineering/architectural services and local/other funds expended for consultant administrative services in cases of extreme urgency where prior approval was obtained. Prior to submission of the application, an applicant may procure professional services to assist in the preparation of the application and/or to provide the professional engineering/architectural or administration services needed for contract management purposes if the application is funded. However, the TXCDBG will not reimburse applicants for any costs incurred prior to the TXCDBG contract start date. These costs, though, may be applied toward the applicant's local match, if prior approval has been obtained and the application is funded. The TXCDBG strongly recommends that applicants follow the professional services procurement guidelines included in the most recent TXCDBG Implementation Manual to contract for engineering/administration services. Following those guidelines will ensure a competitive process and compliance with all applicable state federal requirements.

Match can be considered only if committed for activities proposed for funding with TXCDBG funds and the match will be used in the same target areas as the TXCDBG funds, or the match will be used for activities that are directly related to supporting the activities proposed for TXCDBG funding.

Match can be considered only if the applicant has used an acceptable and reasonable method to document the value of the match.

Except for cash match, the applicant must provide an **attachment/schedule to Table 2**, Budget Justification, which shows how the value of each type of match was determined. The following documentation is acceptable to the TXCDBG for the different types of match:

Cash

Acceptable documentation for cash match is described in **Attachment 6, Letters Of Commitment** (e.g., local government resolution, letters of commitment from other local entities, state/federal agency contract award letter, etc.).

Force Account Labor (in-kind service)

The value of force account labor match must be based on the estimated TXCDBG **contract-related construction hours** to be worked by force account workers **and the hourly wages** to be paid **and cannot be based on labor costs estimated through the bid/contract method.**

The applicant must provide an **attachment/schedule**, which shows how the value of the match was determined (number of estimated contract-related construction hours multiplied by the hourly wage rates paid for each worker).

Local Volunteer Labor (STEP Projects)

ORCA, TCEQ, and other state entities are participants in a collaborative approach to address local needs through the Texas Small Towns Environment Program (Texas STEP). The STEP approach is a way for communities to solve water and wastewater problems through self-help. Local volunteer labor provided by persons that are not employed by the applicant can be counted as match.

The value of volunteer labor match must be based on the estimated TXCDBG contract-related construction hours to be worked by volunteers and the hourly wages that would be earned if the volunteers were actually paid.

Administration/Engineering (in-kind service)

The value of in-kind administration and engineering match must be based on the estimated TXCDBG **contract-related hours** to be worked by administrative/engineering staff and the **hourly wages or salary** to be paid **and cannot be based on a percentage of the project cost method or on an estimated cost of the service(s) if an administrative/engineering consultant(s) were hired.**

The applicant must provide an **attachment/schedule**, which shows how the value of the match was determined. The schedule should include the estimated contract-related staff work hours multiplied by the hourly wages or salary to be paid and the estimated value of other TXCDBG-eligible administration/engineering costs (e.g., materials, supplies, bonding, postage, audits, plans/specifications, construction mapping, etc

Equipment Use (in-kind)

The value of in-kind equipment use match for equipment owned by the locality must be based on a **use allowance or depreciation** (both cannot be used for the same piece of equipment) **and cannot be based on the estimated rental cost of such equipment if already owned by the locality.**

To document the value of estimated in-kind equipment use match based on a **use allowance**, the applicant may use equipment hourly rates and mileage rates established by the Federal Emergency Management Agency (available from the TXCDBG under separate cover).

Depreciation value may be used only if the equipment is not already fully depreciated & schedule is based on acquisition cost. Applicant must provide **attachment/schedule** showing how value of match was determined.

If determining value by use allowance, the schedule must include a **list of the equipment** (including the capacity or size of the equipment), the **hourly use rate or mileage rate**, and the **number of estimated hours or miles** that each piece of equipment will be used on project related activities.

If determining value based on depreciation, the schedule must include a list of the equipment, the depreciation schedule, and the acquisition cost of each piece of equipment.

Materials and Supplies

The value of materials/supplies to be provided by the applicant, and already owned by the applicant, **must be based on the purchase price of the materials/supplies at the time of purchase and cannot be based on the current purchase price of such materials and supplies.**

The applicant must provide an **attachment/schedule**, which shows how the value of the match was determined. The schedule must include a **list of the materials/supplies** to be provided by the applicant, the **number of units** and the **unit price** acquisition cost of each material/supply.

Land

The **value of land donations** of public or private property must be based on an **independent appraisal report** establishing the fair market value **or** on the **purchase price** of the property at the time of purchase.

Either way, the value claimed must be based on the amount of property actually needed for the TXCDBG project (e.g., the applicant cannot claim the value for a 200-acre tract of land if only one acre is needed for the TXCDBG project).

The applicant must provide the appraisal report or deed of purchase establishing the value of the property needed for the TXCDBG project.

ATTACHMENT 8**TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
APPLICATION COMPLETION SURVEY***Fund Type (check one):***Disaster Relief Fund****Urgent Need Fund**

The Texas Community Development Block Grant Program (TXCDBG) was requested to help address our agency's need to identify the customers of the services provided by ORCA and to assess the level of satisfaction by customers with the services provided by ORCA. A Customer Satisfaction Assessment is required by Section 68, Article IX, House Bill 1, 75th Legislature. The TXCDBG has identified two main sets of "customers", grantees and applicants. A survey will be administered to grantees as they approach closure of their grants. **The survey below is required to be submitted with the application.**

Name of locality: _____	Region: _____
Name of person completing survey: _____	Title: _____
<i>Signature (Should be the <u>local</u> person authorized to sign the application)</i>	
Number of years in this position: _____	
1. The locality received information regarding the application process in a helpful fashion: _____ Yes _____ No	
2. Rank the order (#1, #2, #3) with #1 indicating your opinion of which entity was <u>most responsible</u> for ensuring satisfactory completion of the application: _____ City or county _____ Consultant _____ state	
3. The application process now completed or being completed was: _____ satisfactory _____ Unsatisfactory	
4. If applicable, any difficulty experienced was associated with: _____ Completion of the application within the time allotted _____ Fulfillment of requirements, (e.g., hearings, proof of low/mod income person benefit, etc.) _____ Turnover of local officials and/or staff _____ Insufficient performance, technical assistance and/or reporting by consultants, regional council _____ Existing grant monitoring findings or audit problems _____ Insufficient technical assistance from TXCDBG about application requirements _____ Other: _____	
5. Locality has its application guide and a copy of its completed application on file: Yes _____ No _____ Why Not? _____	
6. A <u>local official</u> attended application workshop(s) prior to preparation of the application: _____ Yes _____ No Why not? _____	
7. The consultant(s) and local officials met regularly to discuss activities being accomplished toward application completion. _____ Yes _____ No Why not? _____ _____ Not applicable	
8. The locality would like more technical assistance or information to be offered regarding: _____ TXCDBG requirements; _____ TXCDBG Application requirements; _____ TXCDBG Contract requirements; _____ Other services offered from the Office of Rural Community Affairs	

SECTION III - APPENDICES

APPENDIX I

ELIGIBLE ACTIVITIES

Section 105(a) of the Housing and Community Development Act of 1974, as amended, below, outlines the generally eligible activities under the Texas Community Development Block Grant Program.

Eligible Activities

Sec. 105(a) Activities assisted under this title may include only—

- (1) the acquisition of real property (including air rights, water rights, and other interests therein) which is
 - (A) blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed from the standpoint of sound community development and growth;
 - (B) appropriate for rehabilitation or conservation activities;
 - (C) appropriate for the preservation or restoration of historic sites, the beautification of urban land, the conservation of open spaces, natural resources, and scenic areas, the provision of recreational opportunities, or the guidance of urban development;
 - (D) to be used for the provision of public works, facilities, and improvements eligible for assistance under this title; or
 - (E) to be used for other public purposes;
- (2) the acquisition, construction, reconstruction, or installation (including design features and improvements with respect to such construction, reconstruction, or installation that promote energy efficiency) of public works, facilities (except for buildings for the general conduct of government), and site or other improvements;
- (3) Code enforcement in deteriorated or deteriorating areas in which such enforcement, together with public or private improvements or services to be provided, may be expected to arrest the decline of the area;
- (4) clearance, demolition, removal, reconstruction, and rehabilitation (including rehabilitation which promotes energy efficiency) of buildings and improvements (including interim assistance, and financing public or private acquisition for reconstruction or rehabilitation, and reconstruction or rehabilitation, of privately owned properties and including the renovation of closed school buildings);
- (5) special projects directed to the removal of material and architectural barriers which restrict the mobility and accessibility of elderly and handicapped persons;
- (6) payments to housing owners for losses of rental income incurred in holding for temporary periods housing units to be utilized for the relocation of individuals and families displaced by activities under this title;
- (7) disposition (through sale, lease, donation or otherwise) of any real property acquired pursuant to this title or its retention for public purposes;
- (8) provisions of public services, including but not limited to those concerned with employment, crime prevention, child care, health, drug abuse, education, energy conservation, welfare or recreation needs, if such services have not been provided by the unit of general local government (through funds raised by the such unit, or received by such unit from the State in which it is located) during any part of the twelve-month period immediately preceding the date of submission of the statement with respect to which funds are to be made available under this title, and which are to be used for such services, unless the Secretary finds that the discontinuation of such services was the result of events not within the control of the unit of general local government, except that not more than 15 per centum of the amount of any assistance to a unit of general local government (or in the case of nonentitled communities not more than 15 per centum statewide) under this title including program income may be used for activities under this paragraph unless such unit of general local government used more the 15 percent of the assistance received under this title for fiscal year 1982 or fiscal year 1983 for such activities (excluding any assistance received pursuant to Public Law 98-8), in which case such unit of general local government may use not more than the percentage or amount of such assistance used for such activities for such fiscal year, whichever method of calculation yields the higher amount, and except that of any amount of assistance under this title (including program income) in each of fiscal years 1993 through 2000 to the City of Los Angeles and County of Los Angeles, each such unit of general government may use not more than 25 percent in each such fiscal year or activities under this paragraph, and except that of any amount of assistance under this title (including program income) in each of fiscal years 1999, 2000, and 2001, to the City of Miami, such city may use not more than 25 percent in each such fiscal year for activities under this paragraph;

- (9) payment of the non-Federal share required in connection with a Federal grant-in-aid program undertaken as part of activities assisted under this title;
- (10) payment of the cost of completing a project funded under title I of the Housing Act of 1949;
- (11) relocation payments and assistance for displaced individuals, families, businesses, organizations, and farm operations, when determined by the grantee to be appropriate;
- (12) activities necessary
 - (A) to develop a comprehensive community development plan, and
 - (B) to develop a policy-planning-management capacity so that the recipient of assistance under this title may more rationally and effectively
 - (i) determine its needs,
 - (ii) set long-term goals and short-term objectives,
 - (iii) devise programs and activities to meet these goals and objectives,
 - (iv) evaluate the progress of such programs in accomplishing these goals and objectives, and
 - (v) carry out management, coordination, and monitoring of activities necessary for effective planning implementation;
- (13) payment of reasonable administrative costs related to establishing and administering federally approved enterprise zones and payment of reasonable administrative costs and carrying charges related to
 - (A) administering the HOME program under title II of the Cranston-Gonzalez National Affordable Housing Act; and
 - (B) the planning and execution of community development and housing activities, including the provision of information and resources to residents of areas in which community development and housing activities are to be concentrated with respect to the planning and execution of such activities, and including the carrying out of activities as described in section 701(e) of the Housing Act of 1954 on the date prior to the date of enactment of the Housing and Community Development Amendments of 1981;
- (14) provisions of assistance including loans (both interim and long-term) and grants for activities which are carried out by public or private nonprofit entities, including
 - (A) acquisition of real property;
 - (B) acquisition, construction, reconstruction, rehabilitation, or installation of
 - (i) public facilities (except for buildings for the general conduct of government), site improvements, and utilities, and
 - (ii) commercial or industrial buildings or structures and other commercial or industrial real property improvements; and
 - (C) planning;
- (15) assistance to neighborhood-based nonprofit organizations, local development corporations, nonprofit organizations serving the development needs of the communities in nonentitlement areas, or entities organized under section 301(d) of the Small Business Investment Act of 1958 to carry out a neighborhood revitalization or community economic development or energy conservation project in furtherance of the objectives of section 101(c), and assistance to neighborhood-based nonprofit organizations, or other private or public nonprofit organizations, for the purpose of assisting, as part of neighborhood revitalization or other community development, the development of shared housing opportunities (other than by construction of new facilities) in which elderly families (as defined in section 3(b)(3) of the United States Housing Act of 1937) benefit as a result of living in a dwelling in which the facilities are shared with others in a manner that effectively and efficiently meets the housing needs of the residents and thereby reduces their cost of housing;
- (16) activities necessary to the development of energy use strategies related to recipient's development goals, to assure that those goals are achieved with maximum energy efficiency, including items such as—
 - (A) an analysis of the manner in, and the extent to, which energy conservation objectives will be integrated into local government operations, purchasing and service delivery, capital improvements budgeting, waste management, district heating and cooling, land use planning and zoning, and traffic control, parking, and public transportation functions; and
 - (B) a statement of the actions the recipient will take to foster energy conservation and the use of renewable energy resources in the private sector, including the enactment and enforcement of local codes and ordinances to encourage or mandate energy conservation or use of renewable energy resources, financial and other assistance to be provided (principally for the benefit of low- and moderate-income persons) to make energy conserving improvements to residential structures, and any other proposed energy conservation activities.
- (17) provision of assistance to private, for-profit entities, when the assistance is appropriate to carry out an economic development project (that shall minimize, to the extent practicable, displacement of existing businesses and jobs in neighborhoods) that—

- (A) creates or retains jobs for low- and moderate-income persons;
 - (B) prevents or eliminates slums and blight;
 - (C) meets urgent needs;
 - (D) creates or retains businesses owned by community residents;
 - (E) assists businesses that provide goods or services needed by, and affordable to, low- and moderate-income residents; or
 - (F) provides technical assistance to promote any of the activities under subparagraphs (A) through (E);
 - (18)** the rehabilitation or development of housing assisted under Section 17 of the United States Housing Act of 1937;
 - (19)** provision of technical assistance to public or nonprofit entities to increase the capacity of such entities to carry out eligible neighborhood revitalization or economic development activities, which assistance shall not be considered a planning cost as defined in paragraph (12) or administrative cost as defined in paragraph (13);
 - (20)** housing services, such as housing counseling in connection with tenant-based rental assistance and affordable housing projects assisted under title II of the Cranston-Gonzalez National Affordable Housing Act, energy auditing, preparation of work specifications, loan processing, inspections, tenant selection, management of tenant-based rental assistance, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in housing activities assisted under title II of the Cranston-Gonzalez National Affordable Housing Act;
 - (21)** provisions of assistance by recipients under this title to institutions of higher education having a demonstrated capacity to carry out eligible activities under this subsection for carrying out such activities;
 - (22)** provision of assistance to public and private organizations, agencies, and other entities (including nonprofit and for-profit entities) to enable such entities to facilitate economic development by—
 - (A) providing credit (including providing direct loans and loan guarantees, establishing revolving loan funds, and facilitating peer lending programs) for the establishment, stabilization, and expansion of microenterprises;
 - (B) providing technical assistance, advice, and business support services (including assistance, advice, and support relating to developing business plans, securing funding, conducting marketing, and otherwise engaging in microenterprise activities) to owners of microenterprises and persons developing microenterprises; and
 - (C) providing general support (such as peer support programs and counseling) to owners of microenterprises and persons developing microenterprises;
 - (23)** activities necessary to make essential repairs and to pay operating expenses necessary to maintain the habitability of housing units acquired through tax foreclosure proceedings in order to prevent abandonment and deterioration of such housing in primarily low- and moderate-income neighborhoods;
 - (24)** provision of direct assistance to facilitate and expand homeownership among persons of low and moderate income (except that such assistance shall not be considered a public service for purposes of paragraph (8)) by using such assistance to—
 - (A) subsidize interest rates and mortgage principal amounts for low- and moderate-income homebuyers;
 - (B) finance the acquisition by low- and moderate-income homebuyers of housing that is occupied by the homebuyers;
 - (C) acquire guarantees for mortgage financing obtained by low- and moderate-income homebuyers from private lenders (except that amounts received under this title may not be used under this subparagraph to directly guarantee such mortgage financing and grantees under this title may not directly provide such guarantees);
 - (D) provide up to 50 percent of any downpayment required from low- or moderate-income homebuyer; or
 - (E) pay reasonable closing costs (normally associated with the purchase of a home) incurred by a low- or moderate-income homebuyers; and
 - (25)** lead-based paint hazard evaluation and reduction, as defined in section 1004 of the Residential Lead-Based Paint Hazard Reduction Act of 1992.
- (b) Upon the request of the recipient of assistance under this title, the Secretary may agree to perform administrative services on a reimbursable basis on behalf of such recipient in connection with loans or grants for the rehabilitation of properties as authorized under subsection (a)(4).
- (A) ©(1) In any case in which an assisted activity described in paragraph (14) or (17) of subsection (a) is identified as principally benefiting persons of low and moderate income, such activity shall—
- (A) be carried out in a neighborhood consisting predominately of persons of low and moderate income and provide services for such persons; or
 - (B) involve facilities designed for use predominately by persons of low and moderate income; or
 - (C) involve employment of persons, a majority of whom are persons of low and moderate income.

- (2) (A) In any case in which an assisted activity described in subsection (a) is designed to serve an area generally and is clearly designed to meet identified needs of persons of low and moderate income in such area, such activity shall be considered to principally benefit persons of low and moderate income if (i) not less than 51 percent of the residents of such area are persons of low and moderate income; (ii) in any metropolitan city or urban county, the area served by such activity is within the highest quartile of all areas within the jurisdiction of such city or county in terms of the degree of concentration of persons of low and moderate income; or (iii) the assistance for such activity is limited to paying assessments (including any charge made as a condition of obtaining access) levied against properties owned and occupied by persons of low and moderate income to recover the capital cost for a public improvement.
- (B) The requirements of subparagraph (A) do not prevent the use of assistance under this title for the development, establishment, and operation for not to exceed 2 years after its establishment of a uniform emergency telephone number system if the Secretary determines that--
 - (i) such system will contribute substantially to the safety of the residents of the area served by such system;
 - (ii) not less than 51 percent of the use of the system will be by persons of low and moderate income; and
 - (iii) other Federal funds received by the grantee are not available for the development, establishment, and operation of such system due to the insufficiency of the amount of such funds, the restrictions on the use of such funds, or the prior commitment of such funds for other purposes by the grantee. The percentage of the cost of the development, establishment, and operation of such a system that may be paid from assistance under this title and that is considered to benefit low and moderate income persons is the percentage of the population to be served that is made up of persons of low and moderate income.
- (3) Any assisted activity under this title that involves the acquisition or rehabilitation of property to provide housing shall be considered to benefit persons of low and moderate income only to the extent such housing will, upon completion, be occupied by such persons.
- (4) For the purposes of subsection (c)(1)(C)--
 - (A) if any employee resides in, or the assisted activity through which he or she is employed, is located in a census tract that meets the Federal enterprise zone eligibility criteria, the employee shall be presumed to be a person of low- or moderate-income; or
 - (B) if an employee resides in a census tract where not less than 70 percent of the residents have incomes at or below 80 percent of the area median, the employee shall be presumed to be a person of low- or moderate-income.
- (d) TRAINING PROGRAM.-- The Secretary shall implement, using funds recaptured pursuant to section 119(o), an on-going education and training program for officers and employees of the Department, especially officers and employees of area and other field offices of the Department, who are responsible for monitoring and administering activities pursuant to paragraphs (14), (15), and (17) of subsection (a) for the purpose of ensuring that (A) such personnel possess a thorough understanding of such activities; and (B) regulations and guidelines are implemented in a consistent fashion.
- (e) GUIDELINES FOR EVALUATING AND SELECTING ECONOMIC DEVELOPMENT PROJECTS.--
 - (1) ESTABLISHMENT.-- The Secretary shall establish, by regulation, guidelines to assist grant recipients under this title to evaluate and select activities described in section 105(a)(14), (15), and (17) for assistance with grant amounts. The Secretary shall not base a determination of eligibility of the use of funds under this title for such assistance solely on the basis that the recipient fails to achieve one or more of the guidelines' objectives as stated in paragraph (2).
 - (2) PROJECT COSTS AND FINANCIAL REQUIREMENTS.-- The guidelines established under this subsection shall include the following objectives:
 - (A) The project costs of such activities are reasonable.
 - (B) To the extent practicable, reasonable financial support has been committed for such activities from non-Federal sources prior to disbursement of Federal funds.
 - (C) To the extent practicable, any grant amounts to be provided for such activities do not substantially reduce the amount of non-Federal financial support for the activity.
 - (D) Such activities are financially feasible.
 - (E) To the extent practicable, such activities provide not more than a reasonable return on investment to the owner.
 - (F) To the extent practicable, grant amounts used for the costs of such activities are disbursed on a pro rata basis with amounts from other sources.

- (3) PUBLIC BENEFIT.-- The guidelines established under this subsection shall provide that the public benefit provided by the activity is appropriate relative to the amount of assistance provided with grant amounts under this title.
- (f) ASSISTANCE TO FOR-PROFIT ENTITIES.-- In any case in which an activity described in paragraph (17) of subsection (a) is provided assistance such assistance shall not be limited to activities for which no other forms of assistance are available or could not be accomplished but for that assistance.
- (g) MICROENTERPRISE AND SMALL BUSINESS PROGRAM REQUIREMENTS.-- In developing program requirements and providing assistance pursuant to paragraph (17) of subsection (a) to a microenterprise or small business, the Secretary shall--
 - (1) take into account the special needs and limitations arising from the size of the entity; and
 - (2) not consider training, technical assistance, or other support services costs provided to small businesses or microenterprises or to grantees and subgrantees to develop the capacity to provide such assistance, as planning cost pursuant to section 105(a)(12) or an administrative cost pursuant to section 105(a)(13).
- (h) PROHIBITION ON USE OF ASSISTANCE FOR EMPLOYMENT RELOCATION ACTIVITIES—
Notwithstanding any other provision of law, no amount from a grant under section 106 made in fiscal year 1999 or any succeeding fiscal year may be used to assist directly in the relocation of any industrial or commercial plant, facility or operation, from one area to another area, if the relocation is likely to result in a significant loss of employment in the labor market area from which the relocation occurs.

APPENDIX I

ELIGIBLE ACTIVITIES

The following provides additional guidance and further definition concerning eligible and ineligible activities for some of the TXCDBG-eligible activities included in Section 105(a).

The federal regulation states that the **operation and general maintenance** of public works or facilities **are ineligible activities**.

(**Note:** In the event that a proposed activity does not fall into one of the following categories, eligibility will be determined on a case-by-case basis. Please contact TXCDBG staff for a determination.)

WATER SYSTEM IMPROVEMENTS

ELIGIBLE ACTIVITIES –

- Installation of larger capacity lines.
- Installation of service connections and service re-connections on public property
- Installation of service re-connections and yard service lines on private property when the yard service line and re-connection must be relocated to account for the installation of replacement distribution lines in a new location
- Installation of fire hydrants.
- Construction of new intake stations.
- Drilling of new wells.
- Replacement of facilities beyond their expected life.
- Plant expansions or modifications due to increased water demand.
- Plant expansions or modifications due to change in source water quality.
- Replacement of major equipment (e.g., clarifiers).
- Construction of elevated or ground storage tanks.
- Acquisition of real property (including ROWs/easements).

INELIGIBLE ACTIVITIES –

- Cleaning of lines.
- Maintenance/repair of existing ground and elevated storage tanks (including interior and exterior painting unless the repair extends the useful life of the tank by at least 10 years).
- Improvements made necessary because of poor maintenance or operational practices.
- Replacement of minor equipment.
- Minor facility repairs.
- Any improvements which will result in operations that are not in compliance with applicable state, federal, and local laws and regulations.

DRAINAGE IMPROVEMENTS

ELIGIBLE ACTIVITIES –

- Permanent drainage facilities (storm sewer lines, concrete structures, culverts, related ditch grading). (Note: The TXCDBG considers curb and gutter, when eligible, to be a street improvements activity and not a drainage improvements activity).
- Acquisition of real property (including ROWs/easements).

INELIGIBLE ACTIVITIES –

- Ditch cleaning and other operation/maintenance activities.

AFFORDABLE NEW HOUSING

ELIGIBLE RECIPIENTS –

- Cities and counties are the eligible applicants for TXCDBG funds, however they cannot directly administer and finance the construction of affordable new housing under the TXCDBG. In order to provide an affordable new housing program, TXCDBG applicants must select an eligible subrecipient organization, through a request-for-proposals process, to operate the program. Eligible "subrecipients", "neighborhood", and "neighborhood-based" are defined below.
- Eligible "**subrecipients**" are limited to **neighborhood-based nonprofit organizations and nonprofit organizations that serve the development needs of a nonentitlement community or communities**. The nonprofit organization must have been organized to promote community development activities on a not-for-profit basis within a nonentitlement neighborhood or community and the nonprofit should have some experience with affordable new housing construction.
- For the organization to be considered as "**neighborhood-based**", a majority of its membership, clientele, or governing body must be residents of the neighborhood where the TXCDBG-assisted activities are to be carried out.
- A "**neighborhood**" is defined as a geographic location within the jurisdiction of a unit of general local government (but not the entire jurisdiction) designated in comprehensive plans, ordinances, or other local documents as a neighborhood, village, or other similar geographical location; or the entire jurisdiction of a unit of general local government which is under 25,000 population.

ELIGIBLE ACTIVITIES –

- Combined site acquisition and construction costs are limited to \$40,000 per unit.
- Administrative costs by the neighborhood-based nonprofit organization are limited to ten percent (10%) of the total TXCDBG funds requested.
- New housing construction.
- Acquisition of sites.
- Clearance of sites.
- Site improvements.
- Payment of "soft costs" such as preliminary surveys/analysis of market need, site and utility plans, and application processing fees.
- Preliminary cost estimates.
- Sketch drawings.

INELIGIBLE ACTIVITIES –

- Construction of tenant occupied units.
- Construction of multifamily structures.
- Housing rehabilitation on existing structures.
- Non-residential property may not be converted to residential use.
- Acquisition and conversion of existing structures.
- Code enforcement.
- Sites located in floodplains.
- Properties where clear title cannot be secured.
- Structures having other conditions which would make acquisition of the property infeasible.
- Financing acquisition of properties where a simple buyer/seller transaction (inclusion of a third party) does not exist.
- Use of TXCDBG funds to reimburse new housing applicants for prior debt, acquisition, or other associated costs incurred by applicants prior to contract award.
- Costs of equipment.
- Furnishings.
- Other personal property not an integral structural fixture, such as window air conditioners or a washer or dryer. (Stoves and refrigerators, even if not built in, are exceptions)
- Installation of luxury items, such as a swimming pool.

HOUSING REHABILITATION

ELIGIBLE ACTIVITIES --

- Rehabilitation activities that address all HUD Section 8 Existing Housing Quality Standards or local code, whichever is more stringent. (Examples include structural repairs, comprehensive weatherization, lead-based paint abatement, heating-ventilation-air conditioning, etc.)
- Rehabilitation activities, housing renovation, and housing improvements necessary to make housing units accessible for persons with disabilities. Rehabilitation improvements are subject to the requirements of the Architectural Barriers Act of 1968 and shall comply with the Uniform Federal Accessibility Standards.
- Installation of water or sewer yard service lines and service connections on private property when the housing unit is occupied by a low and moderate income person or persons

INELIGIBLE ACTIVITIES --

- Rehabilitation activities, which include only cosmetic repairs or which, improve only the appearance of the structure without addressing structural and code deficiencies.

WASTEWATER IMPROVEMENTS

ELIGIBLE ACTIVITIES --

- Installation of new lines.
- Replacement of existing lines (only if deteriorated or obsolete).
- Installation of larger capacity lines.
- Installation of service connections and service re-connections on public property
- Installation of service re-connections and yard service lines on private property when the yard service line and re-connection must be relocated to account for the installation of replacement collection lines in a new location
- Construction of new lift stations due to expanded capacity.
- Plant expansions or modifications due to changes in influent characteristics.
- Plant expansions due to increased influent where the existing facility is operating at or near capacity as established by the TNRCC.
- Construction of a new sewage treatment plant.
- Acquisition of real property (including ROWs/easements).

INELIGIBLE ACTIVITIES --

- Cleaning of lines.
- Rehabilitation of lift stations if no expanded capacity is being added to collection or treatment systems.
- Replacement of minor equipment.
- Minor facility repairs.
- Improvements made necessary because of poor maintenance or operational practices.
- Any improvements, which will result in operations that, are not in compliance with applicable state, federal, or local laws and regulations.

GAS SYSTEM IMPROVEMENTS

ELIGIBLE ACTIVITIES --

- Installation of new lines.
- Replacement of existing lines (only if deteriorated or obsolete).
- Installation of larger capacity lines.
- Replacement of facilities beyond their expected life.
- Replacement of major equipment.
- Acquisition of real property (including ROWs/easements).

INELIGIBLE ACTIVITIES --

- Cleaning of lines.
- Improvements made necessary because of poor maintenance or operational practices.
- Replacement of minor equipment.
- Any improvements, which will result in operations that, are not in compliance with applicable state, federal, and local laws and regulations.

ROAD/STREET IMPROVEMENTS**ELIGIBLE ACTIVITIES --**

- Construction of roadways at new locations, regardless of surface materials to be used.
- Construction of added width capacity in the form of additional lanes (not less than 10 feet of added width).
- Acquisition of additional rights-of-way for construction at new locations or for added width capacity.
- Projects that increase the structural strength of the roadway or improve service of the roadway. Generally, this refers to improvements in the surface material quality. (e.g., caliche to crushed rock, crushed rock to asphalt, etc.).
- Bridge/Culvert Replacement (where deteriorated or obsolete).
- Curb and gutter when done in conjunction with other eligible street activities (Note: The TXCDBG considers curb and gutter, when eligible, to be a street improvements activity and not a drainage improvements activity).

INELIGIBLE ACTIVITIES --

- Sealcoating.
- Overlays.
- Levelups.
- Resurfacing to return to the original design and condition of the roadway.
- Extensions of installations of curb, gutter, and/or sidewalks (except in conjunction with an eligible paving activity listed above).
- Resurfacing, stabilizing, or widening roadway shoulders and side road approaches (except in conjunction with eligible drainage activities).

FIRE PROTECTION FACILITIES**ELIGIBLE ACTIVITIES --**

- Fire stations; fire trucks; fire equipment.

INELIGIBLE ACTIVITIES --

- Equipment and furnishings not necessary for fire protection.

ACCESSIBILITY IMPROVEMENTS TO PUBLIC BUILDINGS**ELIGIBLE ACTIVITIES --**

- All such activities that provide access to the facility for the elderly and severely disabled persons.
- Sheltered workshops for severely disabled persons.

INELIGIBLE ACTIVITIES --

- Accessibility activities that do not provide complete access to a public building, or are unrelated to providing such accessibility.

SOLID WASTE DISPOSAL/LANDFILLS/TRANSFER STATIONS

ELIGIBLE ACTIVITIES --

- Site acquisition.
- Site preparation.
- The purchase of site specific equipment (bulldozer, compactor, etc.) that will remain at the landfill or transfer station site and is necessary to operate the landfill or transfer station.
- Fencing around the site.
- Enclosures for site specific equipment.

INELIGIBLE ACTIVITIES --

- Purchases of other than site specific equipment or equipment not necessary to operate the landfill or transfer station. This includes the purchase of vehicles to transmit waste from a transfer station to a landfill site.
- Purchase of vehicles to collect waste for delivery to the landfill or transfer station site.
- Improvements made necessary because of poor maintenance or operational practices.
- Replacement of minor equipment.
- Any improvements, which will result in operations that, are not in compliance with applicable state, federal, and local laws and regulations.

COMMUNITY/SENIOR/SOCIAL SERVICE CENTERS

ELIGIBLE ACTIVITIES --

- Construction of new building(s)/facilities.
- Rehabilitation of existing buildings.
- Acquisition of real property.
- Fixed equipment (limited to 15% of any funding request).

(Note: all such projects must meet low and moderate income requirements [area benefit for community and possibly senior centers; income eligible benefit for social services and possibly senior centers]).

INELIGIBLE ACTIVITIES --

- Buildings (new construction or rehabilitation) that will primarily be used for the conducting of general local government functions (portions of buildings are therefore also ineligible).
- Construction or rehabilitation of buildings where the 51% low and moderate income benefit requirement cannot be documented.
- Purchase of equipment such as furniture, chairs, tables, etc.

This appendix includes descriptions of some acceptable methods that can be used by applicants **to identify the beneficiaries of a proposed eligible activity and criteria for meeting a national program objective.**

TXCDBG staff reviews the beneficiaries reported on Table 1 of the application for accuracy; for the acceptability of the method, or methods, used by an applicant to identify the beneficiaries for each proposed activity; and for compliance with the criteria for national program objectives.

Each proposed activity included in an application for TXCDBG funds must meet one of the three national program objectives. These three national program objectives are:

1. Principally benefit low and moderate income persons.
2. Aid in the prevention or elimination of slums and blight.
3. Meet other community development needs of particular urgency, which represent an immediate threat to the health, and safety of residents of the community.

Depending upon the activity and the national program objective addressed by the activity, following is the outline of the criteria for meeting a national program objective and ways to identify the beneficiaries of TXCDBG eligible activities:

1. Activities Principally Benefiting Low And Moderate Income Persons

(A) Area Benefit Activities

(B) Housing Activities

(C) Limited Clientele Activities

2. Activities Which Aid In The Prevention Or Elimination Of Slums Or Blight

3. Activities Designed To Meet Community Development Needs Having A Particular Urgency

The method, or methods, used by an applicant to identify the beneficiaries of an activity are based on the type of activity proposed and the persons that could or will actually benefit from the proposed activity.

An application may include activities where more than one method may be used to identify the beneficiaries of the application activities.

As an example, two of these methods might be used to identify the beneficiaries of a water distribution line activity designed to provide first-time water service to an area. The first-time water service is available to all the residents of the area (at least 51% of the residents must be low and moderate income persons) receiving the water lines (**area benefit activity**). The water yard service lines and service connections for the projects are available to low and moderate income persons in the area (**housing activity**).

As another example, two of these methods might be used to identify the beneficiaries of an application that includes the installation of a water well (**area benefit activity**) and improvements to an existing senior citizens center (**limited clientele activity** if the senior center is used only by elderly persons 62 years of age or older).

1. ACTIVITIES PRINCIPALLY BENEFITTING LOW AND MODERATE INCOME PERSONS

An activity is said to address the national program objective of principally benefiting low-to-moderate income persons if it meets the area benefit activity, housing activity, or limited clientele activity criteria described here, unless there is evidence that the activity does not principally benefit low-to-moderate income persons.

A. AREA BENEFIT ACTIVITIES

An activity, the benefits of which are available to all the residents in a particular area, where **at least 51 percent of the residents are low-to-moderate income persons**. The residents claimed as beneficiaries in the target area must be based on the entire area served by the activity. An activity that serves an area that is not primarily residential in character shall not qualify under the area benefit criterion.

IDENTIFYING BENEFICIARIES OF AREA BENEFIT ACTIVITIES

Special Assessments For Public Improvements

Where the TXCDBG activity is to pay special assessments and fees levied against residential properties owned and occupied by low-to-moderate income persons for a public improvement that provides benefits to all the residents of an area. Localities are prohibited from levying special assessments and service connection/tap-on costs and fees on low/moderate income persons to recover the TXCDBG-financed portion of a public improvement when TXCDBG funds are used to pay all or part of the cost of the public improvement.

Localities can however, levy special assessments, service connection/tap-on costs, and fees on low/moderate income persons to recover the portion of a public improvement financed from other funding sources provided that TXCDBG funds are used to pay these costs for the low/moderate income beneficiaries.

For public improvements were not initially assisted with TXCDBG funds, TXCDBG funds may be used to pay special assessments and fees for low-to-moderate income persons when certain conditions exist. The payment of special assessments/fees constitutes TXCDBG assistance to the public improvement. Therefore, TXCDBG funds may be used to pay the assessments/fees on behalf of low-to-moderate income persons provided that:

1. The installation of the public improvements was carried out in compliance with requirements applicable to activities assisted under the TXCDBG, including labor, environmental, and citizen participation;
2. The installation of the public improvement meets a TXCDBG national program objective; and
3. TXCDBG funds are used to pay the assessment/fees on behalf of low and moderate income persons.

In instances where assessments/fees might be levied for public improvements that were not financed with TXCDBG funds, and the public improvements meet the criteria described in the above 1 and 2, an applicant for TXCDBG funds must either waive the payment of the assessments/fees or include funds in the TXCDBG application to pay assessments/fees related to the public improvement that are levied against residential properties owned and occupied by low and moderate income persons.

Water Distribution Lines Or Sewer Collection Lines In Residential Areas

The residents of the target area where the water or sewer service is available to all the residents of the area through the water or sewer lines to be installed through the application activities. If applicable, the project activities must include funds to pay special assessments, service connection costs, and fees related to the public improvement that are to be levied against residential properties owned and occupied by low and moderate income persons.

Sewer Main Trunk Lines, Water Main Supply Lines, And Looping Of Water Lines

The residents of the target area that receive their water through the new or replaced water main supply lines or where water service is available through the new or replaced water main supply lines.

The residents of the target area that receive improved water pressure or an alternate means of access to water through the looping of the water lines.

The residents of the target area where existing or new sewer collection lines flow into the new or replaced sewer collector trunk lines in route to the treatment plant. (This also applies for lift stations.)

Water Treatment, Water Supply, Water Storage Improvements

The residents of the service area that will be served by the proposed treatment, supply, or storage improvements. These types of improvements generally provide a community-wide or water system-wide benefit. If the improvement is designed to provide less than a system-wide benefit, the applicant must base the beneficiaries on the residents of the service area that benefits from the improvement.

Sewage Treatment Plant Improvements

All residents in the area where sewer service is available and their wastewater is treated at the sewer treatment facility that will be improved through the TXCDBG application activities. If there is more than one treatment facility serving the applicant's jurisdiction, the applicant must identify only the beneficiaries residing in the service area for the plant that will be improved with TXCDBG funds.

Water And Sewer Yard Service Lines And Service Connections

For the installation of service connections and service re-connections **on public property**, all persons residing in homes that receive a service connection, service re-connection, or water meter that is located on public property.

The installation of service re-connections and yard service lines on private property will only be counted as an area benefit activity when the installation of the service re-connections and the yard service lines on private property is required to re-connect residents that are already receiving water or sewer service and the relocation of the yard service line and re-connection is made necessary by the relocation of some existing water lines or sewer lines as part of the TXCDBG application activities. In this instance, the yard service lines and service re-connections must be treated as a separate activity and must meet the 51 percent low and moderate income benefit threshold for the total number of residents receiving the yard service line and service re-connection assistance.

Street Improvements

The residents of an area where at least one of the resident's property lines abuts the arterial or collector street(s) that will be improved through the TXCDBG application activities.

The residents of an area where the street proposed for improvements in the TXCDBG application **provides the only access to the area**.

The residents of an area that reside on an arterial street block which directly abut either side of the collector streets that are proposed for improvements in the TXCDBG application.

Flood And Drainage Improvements

All residents in the recognized drainage basin or all residents of the area that will actually receive improved drainage from the proposed activities.

Solid Waste Disposal/Landfills/Transfer Stations

All residents in the service area for the landfill or transfer station. If multiple governmental jurisdictions use or will use the landfill or transfer station, then a multi-jurisdiction application may be required.

Community Centers/Health Clinics/Senior Centers/Multi-purpose Centers

All residents in the service area for the proposed center. If there is only one center in the community, it can be considered a community-wide benefit activity. If there is more than one community center, the applicant must identify the service area for the center. (When certain situations exist, these activities may meet national program objectives for Limited Clientele Activities.)

Other Public Centers

Same as for Community Centers. (When certain situations exist, some public centers may meet national program objectives for Limited Clientele Activities.)

Acquisition Of Real Property

All residents that benefit from the planned use of the real property. A final determination shall be based on the actual use of the acquired real property.

Demolition

Residents in the area where at least one property line abuts the properties to be cleared. (If this activity is part of a neighborhood revitalization project, the beneficiaries may be based on the residents of the defined neighborhood revitalization area.)

Relocation Assistance

Where the relocation assistance is assistance that the unit of general local government is required to provide, then the residents benefiting from the relocation assistance activity are the same beneficiaries as those which benefit from the activity which required the displacement.

Where the relocation assistance is voluntary, the unit of general local government may qualify the assistance either on the basis of the national program objective addressed by the displacing activity, or if the relocation assistance is provided to low and moderate income persons, on the basis of principally benefiting low and moderate income persons.

Fire Prevention

All residents in the service area for the specific improvements (e.g., hydrants, fire stations).

Parks And Recreational Activities

All residents in the service area for the proposed park or recreational facility improvements. If there is only park or recreational facility in the community, it can be considered a community-wide benefit project. If there is more than one park or recreational facility, the applicant must identify the service area for the park or recreational facility.

Code Enforcement

All residents of the designated area where such enforcement along with public or private improvements, rehabilitation, or services to be provided may be expected to arrest the decline of the area.

City Or County Jails

All residents in the jurisdiction served by the jail. For a city jail, the benefit is at least citywide. For a county jail, the benefit is at least countywide.

Planning-Only Activities

When planning is the only activity included in a TXCDBG grant, it must be documented that at least 51 percent of the persons who would benefit from the implementation of the plan are low and moderate income persons. Planning activities for the residents of a target area or an entire community populated by persons of whom at least 51 percent are low and moderate income persons shall meet the principally benefiting low and moderate income persons national program objective.

B. HOUSING ACTIVITIES

An eligible activity carried out for the purpose of providing or improving permanent residential structures which, upon completion, **will be occupied by low and moderate income persons**. This would include, but not necessarily be limited to:

- the acquisition or rehabilitation of property by the unit of general local government, a subrecipient, an entity (neighborhood-based nonprofit organization, local development corporation, nonprofit organizations serving the development needs of the nonentitlement community) eligible to receive assistance under section 105(a)(15) of the Housing and Community Development Act of 1974, as amended, a developer, an individual homebuyer, or an individual homeowner
- conversion of non-residential structures
- new housing construction

IDENTIFYING BENEFICIARIES OF HOUSING ACTIVITIES

Housing Rehabilitation

Low and moderate income persons residing in housing that will receive rehabilitation assistance. Since the actual number of beneficiaries may not be known when the application is prepared, **an applicant may estimate the number of beneficiaries** by multiplying the number of housing units proposed for rehabilitation by the average household or family size for the applicant's jurisdiction (e.g., 10 proposed housing units and an average family size of 3.5 persons for the jurisdiction would yield an estimate of 35 beneficiaries).

The beneficiaries of TXCDBG-financed housing rehabilitation assistance programs, including programs for the rehabilitation of housing units to include improvements necessary to make the units accessible to persons with disabilities, are limited to low and moderate income persons.

Voluntary Relocation Assistance

Where the relocation assistance is voluntary under a TXCDBG-financed housing rehabilitation program, the relocation assistance is limited to low and moderate income persons. The beneficiaries are the residents of the housing units that receive voluntary relocation assistance.

Water And Sewer Yard Service Lines And Service Connections On Private Property

For projects that include the provision of first-time water service or first-time sewer service to an area, the installation of service connections and yard service lines on private property is considered a housing rehabilitation activity and must meet the housing activity criteria. TXCDBG funds can only be used to pay for the costs of service connections, yard service lines, and related house plumbing improvements that are located on private property for low and moderate income persons.

As an example, City A receives a TXCDBG grant to provide first-time sewer service in a target that includes 80 persons, of which 52 are low and moderate income persons. The beneficiaries of the sewer collection lines, lift stations, etc., needed to provide service to the area are all 80 persons. City A will provide TXCDBG-funded assistance to the low and moderate income persons in the target area for sewer house connections, yard service lines, and related plumbing improvements. The sewer house connections, yard service lines, and related plumbing improvements are shown as a housing rehabilitation activity benefiting only the 52 low and moderate income persons in the target area.

New Housing Construction

The beneficiaries of new housing construction done through an eligible subrecipient organization are limited to low and moderate income persons.

Rental Housing Activities

For rental housing, occupancy by low and moderate income persons must be at affordable rents to qualify under the housing activities criterion.

C. LIMITED CLIENTELE ACTIVITIES

An activity, which benefits at least 51 percent, low and moderate income persons. **To qualify as a limited clientele activity, the activity must meet one of the following tests:**

1. The activity **must benefit a clientele who are generally presumed to be principally low and moderate income persons**. Activities that exclusively serve a group of persons in any one or a combination of the following categories may be presumed to benefit persons, 51 percent of whom are low and moderate income:
 - elderly persons (age 62 and over)
 - abused children
 - battered spouses
 - homeless persons
 - illiterate adults
 - migrant farm workers
 - persons living with AIDS
 - persons meeting the Census Bureau definition of “**severely disabled**”

Persons are classified as having a severe disability if they:

- (a) used a wheel-chair or had used another special aid for 6 months or longer;
 - (b) were unable to perform one or more functional activities or needed assistance with an activity of daily living (getting around inside the home, getting in or out of bed or a chair, bathing, dressing, eating, and toileting) or instrumental activity of daily living (going outside the home, keeping track of money or bills, preparing meals, doing light housework, and using the telephone);
 - (c) were prevented from working at a job or doing housework; or
 - (d) had a selected condition including autism, cerebral palsy, Alzheimer’s disease, senility or dementia, or mental retardation.
 - (e) Also, persons who were under 65 years of age and who were covered by Medicare or who received Supplemental Security Income (SSI) were considered to have a disability (and a severe disability).
2. The activity **must require information on family size and income** so that it is evident that at least 51 percent of the clientele are persons whose family income does not exceed the low and moderate income limit.
3. The activity **must have income eligibility requirements**, which limit the activity exclusively to low and moderate income persons.
4. The activity **must be of such a nature, and be in such a location**, that it may be concluded that the activity’s clientele will primarily be low and moderate income persons.

IDENTIFYING BENEFICIARIES OF LIMITED CLIENTELE ACTIVITIES

An eligible TXCDBG activity that exclusively serves the **residents of Public Housing Authority (PHA) units** could qualify as a limited clientele activity because the income guidelines used to determine PHA eligibility are the HUD Section 8 Income Limits.

An eligible TXCDBG activity that exclusively serves a **Nursing Home** where at least 51 percent of the Nursing Home residents are low and moderate income persons could qualify as a limited clientele activity. Nursing Home residents that are eligible for Medicaid (not Medicare) assistance meet income limit eligibility requirements that are lower than the low and moderate income limits. Resident of Nursing Homes that are older than 62 years of age are in a clientele group that is presumed to be principally of low and moderate income.

As an example, a Nursing Home with 100 residents has 75 persons that qualify for Medicaid. The 75 Medicaid-eligible persons are low to moderate income persons. Thirteen (13) of the remaining 25 ($25 \times 0.51 = 12.75 = 13$) Nursing Home residents can also be considered low to moderate income persons by using the minimum TXCDBG activity qualifying low/mod benefit percentage (51%).

In instances when the beneficiaries of a community center, multi-purpose center, service center, or service center for severely disabled persons activity are limited to one or a combination of the groups of persons in the accepted categories listed for limited clientele activities, it may be presumed that the activity benefits 51 percent low and moderate income persons. **The number of low and moderate income beneficiaries will equal 51 percent of the total number of persons estimated to be served by the center.**

Community Center, Health Clinics, Multi-Purpose Center, And Service Center Activities

A community center, multi-purpose center, or service center activity could qualify as a limited clientele activity if the center exclusively serves:

- one or a combination of the groups of persons in the accepted categories listed for limited clientele activities; or
- persons through programs that require information on family size and income where there is evidence that at least 51 percent of the clientele are low and moderate income persons; or
- persons through programs that are limited to persons of low and moderate income.

For centers which would provide some office space for limited clientele eligible programs and some space for general use by persons in the service area, the TXCDBG requires that the number of beneficiaries be based on the total number of persons residing in the service area (area benefit activity that usually includes all persons residing in the city for a city center or all persons residing in the county for a county center).

Senior Center Activities

A senior center activity could qualify as a limited clientele activity if the center exclusively serves:

- elderly persons (age 62 and over) or a combination of the groups of persons in the accepted categories listed for limited clientele activities; or
- persons through programs that require information on family size and income where there is evidence that at least 51 percent of the clientele are low and moderate income persons; or
- persons through programs that are limited to persons of low and moderate income.

Please note that all other general use of the facility and use by persons that are not senior citizens must represent only incidental use. Otherwise, the activity must qualify as an area benefit activity that includes all persons residing in the city for a city center or all persons residing in the county for a county center.

Service Centers For Severely Disabled Persons

A service center for severely disabled person's activity (facilities such as physical/vocational rehabilitation centers, mental health/mental retardation service centers, etc.) could qualify as a limited clientele activity if the center exclusively serves:

- severely disabled persons or a combination of the groups of persons in the accepted categories listed for limited clientele activities; or
- persons through programs that require information on family size and income where there is evidence that at least 51 percent of the clientele are low and moderate income persons; or
- persons through programs that are limited to persons of low and moderate income.

Provision Of Accessibility To Public Buildings

The removal of architectural barriers to the mobility or accessibility of elderly persons or severely disabled persons to public buildings could qualify as a limited clientele activity if the activity is limited to the removal of such barriers from public buildings and the applicant can document that complete accessibility to the public building is being provided.

To further define complete accessibility, a TXCDBG application that includes a public building accessibility activity must include improvements such as handrails, ramps, widening of doorways (entrances and exits to the building and to primary offices and meeting rooms), modifications of restroom facilities, elevator(s) (if applicable), parking, and related improvements.

The beneficiaries would be based on the number of elderly persons and severely disabled adults residing in the service area for the public building and it is presumed that the project will meet the national program objective of principally benefiting persons of low to moderate income. For the provision of accessibility to a County Courthouse, the benefit would accrue to these persons on a countywide basis. For the provision of accessibility to a City Hall, the benefit would accrue to these persons on a citywide basis.

The total number of beneficiaries will equal fifteen percent (15% as determined by the Texas Rehabilitation Commission) of the 1990 Census population for the city or county. The number of low and moderate income beneficiaries will equal fifty-one percent (51%) of the total number of (15% of the total service area population) estimated to be served by the accessibility project.

As an example, a City Hall accessibility project in a city with a 1990 Census population of 2,000 persons would benefit 300 total persons and 153 low to moderate income persons ($2,000 \times 0.15 = 300$ $300 \times 0.51 = 153$).

2. ACTIVITIES WHICH AID IN THE PREVENTION OR ELIMINATION OF SLUMS OR BLIGHT

Activities meeting one or more of the following criteria, in the absence of substantial evidence to the contrary, will be considered to aid in the prevention or elimination of slums or blight:

1. **Activities to address slums or blight on an area basis.** An activity will be considered to address prevention or elimination of slums or blight if the TXCDBG can determine that:
 - A. The area, delineated by the unit of general local government, meets a definition of a slum, blighted, deteriorated or deteriorating area under state or local law.
 - B. Throughout the area there is a substantial number of deteriorated or deteriorating buildings or the public improvements are in a general state of deterioration.
 - C. The assisted activity addresses one or more of the conditions, which contributed to, the deterioration of the area. Rehabilitation of residential buildings carried out in an area meeting the above requirements will be considered to address the area's deterioration only where each such building rehabilitated is considered substandard before rehabilitation, and all deficiencies making a building substandard have been eliminated if less critical work on the building is also undertaken. The unit of general local government must have minimum standards for building quality, which may take into account local conditions.
 - D. The unit of general local government must provide the TXCDBG records sufficient to document that an activity meets the national objective of prevention or elimination of slums and blight.
2. **Activities to address slums or blight on a spot basis.** Acquisition, clearance, relocation, historic preservation and building rehabilitation activities which eliminate specific conditions of blight or physical decay on a spot basis not located in a slum or blighted area will meet this objective. Under this criterion, rehabilitation is limited to the extent necessary to eliminate specific conditions detrimental to public health and safety.
3. **Planning only activities.** An activity involving planning (when the activity is the only activity for which the grant to the unit of general local government is given, or the planning activity is unrelated to any other activity assisted by the grant) if the plans are for a slum or blighted area, or if all elements of the planning are necessary for and related to an activity which, if funded, would meet one of the other criteria of elimination of slums or blight.

IDENTIFYING BENEFICIARIES OF SLUMS OR BLIGHT PREVENTION OR ELIMINATION ACTIVITIES

TXCDBG applicants must document the beneficiaries of proposed activities that qualify under the prevention or elimination of slums or blight national program objective.

Localities should be aware when preparing an application for TXCDBG funds that meeting a national program objective only qualifies the application for consideration and may have a quantitative effect on the scoring and eventual ranking of an application. Careful consideration should be given to all application scoring factors and application evaluation factors upon which the selection of grantees are based.

Identification of the beneficiaries of the activities will depend on the type of activity and whether the activity addresses slum or blight conditions on an area or spot basis.

For activities done on an area basis, the beneficiaries are the residents of the delineated slum and blight area.

For activities done on a spot basis, the beneficiaries will be based on the types of buildings or facilities being addressed by the applicant. For activities on a spot basis, please contact the TXCDBG for a determination on the beneficiary documentation requirements that the TXCDBG will based on the applicant's proposed activities.

3. ACTIVITIES DESIGNED TO MEET COMMUNITY DEVELOPMENT NEEDS HAVING A PARTICULAR URGENCY

Activities designed to meet community development needs having a particular urgency. In the absence of substantial evidence to the contrary, an activity will be considered to address this objective if the unit of general local government certifies, and the TXCDBG determines, that the activity is designed to alleviate existing conditions which pose a serious and immediate threat to the health or welfare of the community which are of recent origin or which recently became urgent, that the unit of general local government is unable to finance the activity on its own, and that other sources of funding are not available. For **Urgent Need** applications, a condition will generally be considered to be of recent origin if it developed or became urgent within **30 days** preceding the certification by the unit of general local government. For **Disaster Relief** applications, a time limit of **12 months** from the declaration has been established.

IDENTIFYING BENEFICIARIES OF DISASTER RELIEF OR URGENT NEED ACTIVITIES

TXCDBG applicants must document the beneficiaries of proposed activities that qualify under the activities designed to meet community development needs having a particular urgency national program objective.

Identification of the beneficiaries of the activities will depend on the type of activity and whether the activity is an area benefit activity, a housing activity, or a limited clientele activity.

Applicants for TXCDBG Disaster Relief or Urgent Need assistance are advised to contact the TXCDBG early in the application preparation process for assistance in the determination of the beneficiary documentation information that will be required based on the applicants proposed activities.

APPENDIX III

2008 TEXAS COMMUNITY DEVELOPMENT PROGRAM SURVEY QUESTIONNAIRE

INTRODUCTION

Each proposed activity included in an application for TXCDBG funds must meet one of the three national program objectives. These national program objectives are:

1. Principally benefit low and moderate income persons.
2. Aid in the prevention or elimination of slums and blight.
3. Meet other community development needs of particular urgency which represent an immediate threat to the health and safety of residents of the community.

The TXCDBG requires applicants to document and report the beneficiaries of each proposed activity regardless of the national program objective met by the activity. Therefore, applicants must document the beneficiaries for each activity included in a TXCDBG application under each of the TXCDBG fund categories (Community Development Fund, Texas Capital Fund, Colonia Fund, Planning And Capacity Building Fund, TXCDBG STEP Fund, Non-Border Colonia Fund, Disaster Relief Fund, Urgent Need Fund, Microenterprise Fund, Small Business Fund, and Section 108 Loan Guarantee Pilot Program).

Once an applicant has identified the persons that will benefit from the proposed TXCDBG-eligible activity (using the TXCDBG guidance provided in **Appendix II**), there are a number of acceptable methods that may be used to document the total beneficiaries and the number of low and moderate income beneficiaries for each proposed application activity. One of the acceptable methods for documenting beneficiaries is the completion of a Texas Community Development Block Grant Program Survey.

The TXCDBG standard Community Development Program Survey questionnaire is included in this Appendix. Applicants using survey information for documentation of the total beneficiaries and the number of low and moderate income beneficiaries for a proposed application activity, must use the standard TXCDBG survey questionnaire for the compilation of the beneficiary information.

The TXCDBG survey questionnaire may be modified to include additional questions deemed necessary by the locality in the design of the project. Additional questions may be needed to identify the beneficiaries of a project activity, which is limited to a specific clientele group. Please contact TXCDBG staff if you need assistance in identifying the beneficiaries of your proposed project activities or in designing project specific questions for your survey instrument. Localities should request approval for any changes or additions to the survey questionnaire by contacting TXCDBG staff. **All survey questionnaires must, at a minimum, contain every question included in the TXCDBG survey questionnaire provided in this Appendix.** (See Instructions Section of Survey to determine if Survey Questions 7, 8, 9, and 10 are applicable to the type of project activity that your locality is considering.)

For area benefit projects covering a small target area, applicants are encouraged to use the TXCDBG survey questionnaire. Also, applicants proposing area benefit activities for target areas with boundaries that are not contiguous with standard census geographic areas (place, census tracts, block numbering areas or block groups) may have to use the survey to document the beneficiaries of a proposed application activity.

Localities proposing area benefit activities are encouraged to first examine 2000 Census maps and HUD-prepared low/moderate income information to determine if 2000 Census data may be used to document the activity beneficiaries and to qualify the activity as principally benefiting low/moderate income persons. Further explanation concerning TXCDBG requirements for the use of Census data to document beneficiaries is included in **Appendix IV**.

Applicants can also use the completion of this door-to-door survey as an excellent opportunity to inform citizens about the TXCDBG and eligible program activities, to encourage citizens to submit their views regarding the locality's housing and community development needs, and to encourage citizen participation at public hearings and citizen involvement in the preparation of the TXCDBG application.

TXCDBG SURVEY REQUIREMENTS

The TXCDBG has set the following 2008 program year survey requirements for the Community Development Fund.

1. TXCDBG Survey Questionnaires (including all responses and all non-responses), signed Survey Tabulation Forms and Survey Locations Forms **must be submitted to TXCDBG staff for verification when the application for Disaster Relief or Urgent Need assistance is submitted.**
2. For each activity included in an application where a TXCDBG survey was completed to determine the beneficiaries of the activity, the applicant must provide the following survey information:
 - Signed Survey Tabulation Forms which document the beneficiaries claimed for each activity
 - Survey Locations Forms describing the locations covered by each activity
 - All survey questionnaire responses and non-responses for each activity
3. Applicants must use the TXCDBG Survey Questionnaire or a format approved in writing by TXCDBG staff.
4. Only door-to-door surveys are allowed unless an alternate method is approved in writing by TXCDBG staff.
5. For TXCDBG surveys, applicants must meet the following **contact rate and response rate requirements**:
 - The applicant must demonstrate a **one hundred percent (100%) effort** in contacting project beneficiary households.
 - For surveys which include one hundred fifty (150) or fewer beneficiary households, the applicant must obtain at least an **eighty percent (80%) response rate**.
 - For surveys which include one hundred fifty-one (151) or more beneficiary households, the applicant must obtain at least a **seventy percent (70%) response rate**.
 - Vacant homes (no one living in the housing unit) may be counted as non-responses on the Survey Tabulation Form. **However, if vacant homes are counted as non-responses, the survey must still meet the applicable TXCDBG survey contact effort and response rate requirements.** A TXCDBG Survey Questionnaire completed for a vacant home should indicate that the housing unit is vacant.
 - **Surveys that do not meet the contact effort and response rate requirements will be disqualified, which may also result in disqualification of the application.**
6. Activity beneficiaries residing in Public Housing Authority (PHA) units, other publicly assisted housing units, nursing homes, etc., cannot be included in the tabulation of the survey, or be counted towards the survey response rate requirement, unless each family or person residing in such housing is surveyed and a questionnaire is completed for each family or person. Activity beneficiaries residing in such housing should be documented through a signed certification from a PHA Director, Director of the program providing the housing assistance, or Director/Manager of the nursing home.
7. **Any TXCDBG Survey Questionnaire that does not include the following information may be considered a non-response:**
 - The City and County where the survey was conducted
 - The Respondent's Street Address
 - The Date for Contact Attempts
 - The HUD Section 8 Income Limits inserted for Family Sizes 1 through 8 in Question 4.
 - At a minimum, responses to Questions 1, 2 and 5
 - Any TXCDBG Survey Questionnaire which includes conflicting information between the family size answer to Question 2, and the use of a Family Size Income Limit in Question 4, that is higher than the correct Income Limit for that Family Size (e.g., a family with 3 persons is asked to compare the family's income to the Income Limit for a 4-person family) may be considered a non-response.

8. An applicant may use a previously completed and verified TXCDBG survey to document the beneficiaries of a TXCDBG application submitted during the 2004 calendar year if certain TXCDBG requirements are met.
- **The TXCDBG will not allow applicants to use any surveys or survey questionnaires completed prior to January 1, 1994** to document the beneficiaries of a 2005 TXCDBG application. TXCDBG surveys or survey questionnaires completed on or after January 1, 1994, may be used if all the survey questionnaires or a subset of the total number of completed survey questionnaires were previously verified and approved by TXCDBG staff.
 - **The applicant must review the accuracy of the previously completed survey and consider whether the area covered by the survey has experienced a significant increase or decrease in population since the time when the survey was completed. If a significant increase or decrease in population change has occurred, the applicant should complete a new survey for the area.**
 - **In addition, depending on the applicant's proposed use of the previously verified/approved TXCDBG survey, there are different TXCDBG tabulation and submission requirements that apply. Examples of possible different uses of these previously verified/approved surveys and the TXCDBG tabulation and submission requirements that apply are described in the following text. Assume that in each of these examples, the previously completed TXCDBG survey meets the current TXCDBG survey requirements.**

The **application is a resubmission of the exact same project activities and beneficiaries** as reviewed/approved by TXCDBG staff under a previous application.

Example: City B submitted a 1996 TXCDBG application for water system improvements to replace 16 blocks of water lines. The 1996 TXCDBG-verified survey showed 280 total beneficiaries and 220 low/moderate income beneficiaries. City B submits an application for the exact same project submitted in the 1996 application (exact same project means that the locations and linear feet of the proposed water lines have not changed). In this instance, City B may use the 1996 survey to document the beneficiaries of the 2004 or 2005 application and the 1996 survey does not have to be submitted for verification.

The **application activities have been expanded to include additional activities and beneficiaries** that were not reviewed/approved by TXCDBG staff under a previous application.

Example: City B submitted a 1996 TXCDBG application for water system improvements to replace 16 blocks of water lines. The 1996 verified survey showed 280 total beneficiaries and 220 low/moderate income beneficiaries. City B submits an application, which adds 8 more blocks of water lines to the 16 blocks of water lines included in the 1996 application. City B may use the 1996 survey, but must survey the new/additional beneficiaries located on the 8 blocks of water lines added to the 1996 project. City B is now required to resubmit the responses and non-responses from the previously verified 1996 TXCDBG survey and the additional responses and non-responses covering the new/additional beneficiaries. A signed Survey Tabulation Form and a Survey Locations Form covering the actual 2004 or 2005 application beneficiaries are also required.

The **application activities have been decreased to exclude beneficiaries or activities** included in a previous TXCDBG application.

Example: City B submitted a 1996 TXCDBG application for water system improvements to replace 16 blocks of water lines. The 1996 verified survey showed 280 total beneficiaries and 220 low/moderate income beneficiaries. City B submits an application, which deletes 4 blocks of the original 16 blocks of water lines included in the 1996 application. City B may use the 1996 survey, but must remove the survey responses and non-responses for the beneficiaries located on the 4 blocks of water lines deleted from the 1996 project. City B is now required to resubmit the responses and non-responses from the previously verified TXCDBG survey after the applicant has removed the responses and non-responses for the decreased/excluded beneficiaries. A signed Survey Tabulation Form and a Survey Locations Form covering the actual 2004 or 2005 application beneficiaries are also required.

The application is for a project that is located in a **project area that was previously included in a prior TXCDBG application** and TXCDBG-verified survey, **but the activities included in the prior application have been changed to a new project activity type in the application.**

In this instance, the applicant is required to first determine if the project beneficiaries verified previously would still receive project benefit from the proposed new 2004 or 2005 TXCDBG application activities. Once this has been determined, the applicant will probably find that the proposed beneficiaries for the TXCDBG application are exactly the same as the previously verified TXCDBG survey, or will represent an expansion or a decrease in the number of beneficiaries claimed/verified in the previously completed survey. Please follow the previous instructions and requirements for 2004/2005 applications that include the exact same project activities/beneficiaries, an expansion of the project activities/beneficiaries, or a decrease of the project activities/beneficiaries.

For a project area that has not been included in a prior TXCDBG application and has not been previously surveyed, the applicant is required to complete a new survey for the 2004/2005 TXCDBG application and submit the responses, non-responses, a signed Survey Tabulation Form and a Survey Locations Form covering the actual 2004/2005 TXCDBG application activity beneficiaries.

SURVEY QUESTIONNAIRE SORTING RECOMMENDATIONS

Once an applicant has completed the survey, it is highly recommended that the survey questionnaire forms be sorted and resorted in the following manner:

Sorting Instructions For Completion Of The TXCDBG SURVEY LOCATIONS FORM:

1. First sort the questionnaires by street name. Streets that have east, west, north, and south designations (North Brown - South Brown, West Smith - East Smith) should also be separated by those designations.
2. Next, for each street name, sort the questionnaires by responses, non-responses, and vacant homes. Now, complete the TXCDBG Survey Locations Form (Page A-35) by inserting each street name that was surveyed and the number of survey questionnaires, by responses, non-responses and vacant homes, for that street name.

Sorting Instructions For Completion Of The TXCDBG SURVEY TABULATION FORM:

1. Next, sort the questionnaires by family size based on the number of persons in family answered in Question 2 of the Survey Questionnaire and circled in Question 4 of same.

While completing this process, remove the non-responses, including any vacant homes, and place the non-responses in a separate pile.

2. Next, for each family size, sort the questionnaires by low/moderate income status based on the response answered in Question 5 of the Survey Questionnaire. If the response is Lower (X), the family is a low/moderate income family. If the response is Higher (X), the family is not a low/moderate income family.
3. Sort the non-responses by vacant homes and occupied homes where a response was not received. Now complete the TXCDBG Survey Tabulation Form (Page A-31) following the instructions on Pages A-29 and A-30.

Questionnaires sorted/arranged by Family Size 1, Family Size 2, etc., will make completion of the Survey Tabulation Form easier for the applicant. A survey submitted to the TXCDBG already sorted by family size will help TXCDBG staff in expediting the verification process.

HUD SECTION 8 INCOME LIMITS

Applicants using the TXCDBG Survey Questionnaire for a 2004 or 2005 program year application must use the Section 8 Income Limits listed in the HUD SECTION 8 INCOME LIMITS table included in this Appendix (Pages A-36 - A-42) to determine the low/moderate income status of each family surveyed.

- These income limits are listed by family size for each county in Texas.
- An applicant must use the income limits listed for the county(s) in which the proposed project activity will take place.
- Before an applicant starts making copies of the TXCDBG Survey Questionnaire, prepare a Master Copy that includes the applicable Section 8 Income Limits. Then make your copies.
- They are used in Question 4 of the TXCDBG Survey Questionnaire and **the appropriate income limits for family sizes 1 through 12 must be included on the lines under the Number of Persons in Family and Income Limit columns in Question 4.**

As an example, for an applicant located in Anderson County, Question 4 of the Survey Questionnaire would contain the following HUD Section 8 Income Limits:

4. Compare your family's 2003 annual adjusted gross income, or your family's 2004 monthly/weekly income calculated on an annual basis, to the income eligibility figures listed below for your County.

Family Size _____

COUNTY Anderson

Number of Persons in Family and Income Limit											
1	25100	2	28650	3	32250	4	35850	5	38700	6	41550
7	44450	8	47300	9	50200	10	53050	11	55950	12	58800

SURVEY SUGGESTIONS AND INSTRUCTIONS

SUGGESTED INTERVIEWER INTRODUCTION:

Hello, my name is _____, and I am conducting a survey for the City/Village/County of _____. We are trying to get information needed to complete an application for a community development grant. What you say will be kept strictly confidential. Your answers are very important to our community improvement effort.

SUGGESTIONS FOR IMPROVING RESPONSE RATE:

- Publish an article in the local newspaper about the City/County effort to obtain a community development grant including information about when interviewers may be in the various neighborhoods.
- Ask the local clergy to announce at Sunday church services that interviewers may be in the area to obtain information for the City/County application for community development funds.
- Leaflet each neighborhood a day or two before it will be surveyed to announce that you will be contacting each household and why.
- Fill in the Interviewer's Name or Initials, name of the locality (City or County), and the County where the project activity/applicant is located.
- Respondent's Street Address -- If there is no street name and/or house number, designate a street name (e.g., Street A, Street B, Street C, etc.) and begin numbering the houses on each street as #1, #2, etc. Mailing addresses (Post Office Box or Drawer) are not acceptable. Each Questionnaire must have a street name and a house number, even if they must be designated by the applicant.
- Respondent's Telephone Number -- If there is no telephone in the household, or if the interviewee will not divulge, check none.

- Contact Attempt -- Include the date(s) of the contact attempts and be sure to circle AM or PM for the time of day. **For purposes of qualifying a survey as valid, only one contact attempt to obtain a response satisfies the 100 percent effort requirement. However, failure to obtain a response after one attempt does not lower the 80 percent or 70 percent response rate requirement.**
- Place an X or check mark to indicate whether each Questionnaire is a Response, a Non-Response, or a Vacant Unit.

INSTRUCTIONS FOR QUESTIONS 1 THROUGH 5

1. On the line provided, print the number of persons that usually live in this unit.

Persons to be included in this number are:

- Family members living here, including babies still in the hospital
- Persons who usually live here but are temporarily away (including children in boarding school and household members attending college)
- Relatives living here
- Lodgers or boarders living here
- Other persons living here

Persons not to be included in this number are:

- Any person away from here in the Armed Forces
- Persons with a home elsewhere but who stay here most of the week while working
- Any person staying or visiting here who has a usual home elsewhere

2. On the line provided, print the number of persons in your family that usually live in this unit. (Refer back to the list in the instructions for Question 1 in order to determine which family members to include in this number.) Please read the following definitions before answering this question.

DEFINITION: A **family of two or more persons** consists of a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption; all persons in a household who are related to the householder are regarded as members of his or her family.

DEFINITION: A **family unit of size one** is an unrelated individual (as defined by the Census Bureau)--i.e., a person 15 years old or over (other than an inmate of an institution) who is not living with any relatives. An unrelated individual may be the sole occupant of a housing unit, or may be residing in a housing unit (or in group quarters such as a rooming house) in which one or more persons also reside who are not related to the individual in question by birth, marriage, and/or adoption. (Examples of unrelated individuals residing with others include a lodger, a foster child, a ward, or an employee.) Family units of size greater than one include only persons related by birth, marriage, and/or adoption who reside together; all such related persons are considered as members of one family.

If your household includes more than one family and/or more than one unrelated individual, then a separate QUESTIONNAIRE should be completed for each family that lives in this unit. (An example would be a household consisting of 5 related and 3 unrelated persons. The 5 related persons would be considered as a family of size 5 and the 3 unrelated persons would be considered as 3 separate families of size 1. For this household, 4 separate QUESTIONNAIRES should be completed, one for each separate family unit.)

3. Answer YES or NO by placing a check mark on one of the lines provided.

If your answer for the number of persons living in this unit given in Question 1 is greater than your answer for the number of persons in your family living in this unit given in Question 2, then more than one family lives in this unit. If the answer to Question 3 is YES, each family living in this unit should complete a separate QUESTIONNAIRE. Please refer back to the DEFINITIONS and the example given in the instructions for Question 2 in order to determine the number and the size of each family unit.

4. **Next to Family Size, write in the number of persons in your family living in this unit.** The number written next to Family Size should be the same as the number given in Question 2. (Note: If your Family Size is greater than 12 persons, then write in the actual number of persons in your family and base your answer to Question 5 on the income limit listed for a family size of 12 persons.)

(NOTE TO INTERVIEWER: ALL OF THE APPLICABLE SECTION 8 INCOME LIMITS MUST BE LISTED FOR FAMILY SIZES 1 THROUGH 12 ON EACH QUESTIONNAIRE.)

Please include all family income received from any of the following sources:

- **Wage or Salary Income** - Includes total money earnings received for work performed as an employee including wages, salary, Armed Forces pay, commissions, tips, piece-rate payments, and cash bonuses earned before deductions were made for taxes, bonds, pensions, union dues, etc.
 - **Nonfarm Self-Employment Income** - Includes net money income (gross receipts minus expenses) from one's own business, professional enterprise, or partnership. Gross receipts include the value of all goods sold and services rendered. Expenses include costs of goods purchased, rent, heat, light, power, depreciation charges, wages and salaries paid, business taxes (not personal income taxes) etc.
 - **Farm Self-Employment Income** - Includes net money income (gross receipts minus operating expenses) from the operation of a farm by a person on his or her own account, as an owner, renter, or sharecropper. Gross receipts include the value of all products sold, government farm programs, money received from the rental of farm equipment to others, and incidental receipts from the sale of wood, sand, gravel, etc. Operating expenses include cost of feed, fertilizer, seed, and other farming supplies, cash wages paid to farmhands, depreciation charges, cash rent, interest on farm mortgages, farm building repairs, farm taxes (not personal income taxes), etc. The value of fuel, food, or other farm products used for family living is not included as part of net income.
 - **Interest, Dividend, or Net Rental Income** - Includes interest on savings or bonds, dividends from stockholdings or membership in associations, net income from rental of property to others and receipts from boarders or lodgers, net royalties, and periodic payments from an estate or trust fund.
 - **Social Security Income** - Includes Social Security pensions and survivors benefits and permanent disability insurance payments made by the Social Security Administration prior to deductions for medical insurance and railroad retirement insurance checks from the U.S. Government. Medicare reimbursements are not included.
 - **Public Assistance Income** - Includes supplemental security income payments made by Federal or State welfare agencies to low income persons who are aged (65 years old or over), blind or disabled; temporary assistance for needy families; and general assistance. Separate payments received for hospital or other medical care (vendor payments) are excluded from this item.
 - **Retirement or Disability Income** - Includes (1) retirement pensions and survivor benefits from a former employer, labor union, or Federal, State, county, or other governmental agency; (2) disability income from sources such as worker's compensation; companies or unions; Federal, State, or local government; and the U.S. Military; (3) periodic receipts from annuities and insurance; and (4) regular income from IRA or KEOGH plans.
 - **All Other Income** - Includes unemployment compensation, Veterans Administration (VA) payments, alimony and child support, contributions received periodically from persons not living in the household, military family allotments, net gambling winnings, and other kinds of periodic income other than earnings.
5. **Based on the income limit listed for your family size in Question 4, was your family income higher or lower, than the listed income limit?** Place a check mark between the brackets for your appropriate answer. (The survey respondent's answer to Question 5 may be based on a comparison to the family's 2003 annual adjusted gross income or the family's 2004 monthly/weekly income calculated on an annual basis.)

INSTRUCTIONS FOR QUESTIONS 6 THROUGH 10

Question 6 is provided so that TXCDBG applicants can obtain information on the sex and race/ethnicity of project beneficiaries. Each TXCDBG applicant must provide this information in its 2005 Community Development Fund application and **Question 6** will assist applicants in compiling this information. The only major exception to collecting the beneficiary information included in **Question 6** is for income eligible projects such as housing rehabilitation where the project beneficiaries are estimated at the time of application preparation. For income eligible projects, the actual beneficiary information can be collected during the implementation of the project activities. In lieu of the information requested in **Question 6**, applicants may use sex and race/ethnicity information contained in the 2000 Census SF 1 data to report this information in the TXCDBG application.

Questions 7, 8, 9, and 10 must be asked of any proposed beneficiaries for water and sewer system improvement projects that include residential service connections or reconnections. Low/moderate income households/families that are counted as beneficiaries for these types of projects must be provided full access to the public facility improvements as required by the Texas Community Development Program. Please note that the only major exception from this data collection requirement for these types of projects is if the applicant can document that such information is already available locally (e.g., through the locality's public works department). Questions similar to **Questions 7, 8, 9, and 10** must also be asked of beneficiaries for gas system improvement projects that include residential service connections or reconnections. Questions for gas system improvement projects will be provided upon request for eligible applicants proposing gas system improvements. Please note that the data collected here should be provided to the engineer that is providing the locality with its preliminary budget estimates (i.e., prior to application preparation).

6. **Fill in the number of persons in your family on the line for Family Size (should be the same as the number answered in Question 2 of this Questionnaire). Then please provide information concerning the number of males, females and the race and ethnicity of the persons in your family.** The total of the males and females shown, and the total of the family breakdown by race/ethnicity, should equal the number of persons in your family. (Example: If you answered 7 persons in your family living here in Question 2, then the total of the numbers of Males 3 and Females 4, and the total of the race/ethnicity breakdown for your family, Hispanic or Latino 6 Not Hispanic or Latino 1 White 1 Other or Multi-Racial 6, should equal the number 7.) Please note that this demographic information on beneficiaries is needed from all TXCDBG applicants.

Definitions:

Hispanic or Latino A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. The term, "Spanish origin," can be used in addition to "Hispanic or Latino."

Not Hispanic or Latino A person not of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.

White A person having origins in any of the original peoples of Europe, the Middle East, or North Africa.

Black or African American A person having origins in any of the black racial groups of Africa. Terms such as Haitian" or "Negro" can be used in addition to "Black or African American."

Asian A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.

American Indian or Alaskan Native A person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment.

Native Hawaiian or Other Pacific Islander A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.

First determine how many persons in each family are Hispanic or Latino or Not Hispanic or Latino. Then ask the person being surveyed to give information on the number of family members in each of the race categories.

- 7. Place a check mark on the line next to the answer that describes the source of water for the housing unit/family answering this question.**

If a well provides water for six or more houses or apartments, mark "A public system". If a well provides water for five or fewer houses or apartments, mark one of the categories for individual well.

Drilled wells, or small diameter wells, are usually less than 1/2 feet in diameter. Dug wells are generally hand dug and are wider.

- 8. Place a check mark on the line next to the appropriate answer for the housing unit/family answering the question.**

A public sewer is defined as being operated by a governmental body (municipality, utility district, et al.) or a private company or corporation. A septic tank or cesspool is an underground tank or pit used for disposal of sewage on private property.

- 9. Place a check mark on the line next to the answer that best describes the appropriate answer for your housing unit/family.**

Mark "Yes, but also used by another household" if someone else who lives in the same building, but is not a member of your household, also uses the facilities. Place a check mark on this line also if the occupants of living quarters now vacant would also use the facilities in your living quarters.

- 10. Place a check mark on the line(s) next to the answer or answers that describe which plumbing facilities your housing unit/family lacks.**

TEXAS COMMUNITY DEVELOPMENT PROGRAM SURVEY QUESTIONNAIRE

Interviewer's Name or Initials _____

City of: _____ County: _____

Respondent's Street Address: _____

Respondent's Telephone Number: _____ None: _____

Contact Attempt: First Date: _____ Time: _____ AM PM

Second Date: _____ Time: _____ AM PM

Response: _____ Non-Response: _____ Vacant Unit: _____

1. Including yourself, how many persons usually live in this unit? _____
2. Including yourself, how many persons **in your family** usually live in this unit? _____
3. Do any other families usually live in this unit? No _____ Yes _____

If Yes, please complete an **additional** QUESTIONNAIRE for each family that lives in this unit. (NOTE: Do not include yourself as a member of other family or families.)

4. Compare your family's 2003 annual adjusted gross income, or your family's 2004 monthly/weekly income calculated on an annual basis, to the income eligibility figures listed below for your County.

Family Size: _____ County: _____

Number of Persons in Family and Income Limit

1	2	3	4	5	6
7	8	9	10	11	12

5. Was your family income higher or lower than the appropriate income limit for your family size? Higher _____ Lower _____

6. Family Size (From Question 2) _____ Male: _____ Female: _____

Hispanic or Latino	Not Hispanic or Latino	White	Black/ African American	Asian	American Indian/ Alaskan Native	Native Hawaiian/ Other Pacific Islander
Black/ African American and White	Asian and White	American Indian/ Alaskan Native and White	American Indian/ Alaskan Native and Black/ African American	Other or Multi-Racial		

7. Do you get water from: - A public system (city water department, etc.) or private company? _____
- An individual drilled or dug well? _____ - Some other source (a spring, creek, river, cistern, etc.)? _____
8. Is this structure connected to a public sewer system? **Yes**, connected to public sewer system. _____
No, connected to septic tank or cesspool. _____ **No**, use other means. _____
9. Do you have complete plumbing facilities in your living quarters (piped water, a flush toilet, and a bathtub or shower)?
- **Yes**, for this household only. _____ - **Yes**, but also used by another household. _____
- **No**, have some but not all plumbing facilities. _____ - **No** plumbing facilities in living quarters. _____
10. If you answered "No, have some but not all plumbing facilities" to the above question, which plumbing facilities do you lack?
- Piped water from a public/private system or water well. _____
- A flush toilet _____ - A bathtub or shower _____

INSTRUCTIONS FOR COMPLETING THE SURVEY TABULATION FORM

1. Fill in the number of households/families, which will receive project benefits.
2. Fill in the number of households/families contacted. (A contact occurs when an interviewer knocks on the door.)
3. Fill in the number of households/families where a response to the survey was received.
4. Calculate the Survey Response Rate by dividing the number of households/families responding to the survey by the number of households/families to receive project benefits. The result must be at least eighty percent (80%) for surveys which include one hundred fifty (150) or fewer beneficiary households or at least a seventy percent (70%) for surveys which include one hundred fifty-one (151) or more beneficiary households.
5. Sort the survey responses by the family size of the respondents.
6. Count the number of responses received for each family size and fill in Column (6).
7. Sort the responses for each family size according to whether or not the household/family was of low/moderate income.
8. Fill in Columns (7) and (8) for each family size.
9. Complete Columns (9) and (10) for each family size by making the following calculations:

Family Size X Column (7) = Column (9)

Family Size X Column (8) = Column (10)

Example: Sixty responses are received from families having a family size of three persons. Forty of these families were of low/moderate income and twenty families had higher incomes. For families with a family size of three the calculations would be:

$3 \times 40 = 120$ low/moderate income persons

$3 \times 20 = 60$ non-low/moderate income persons.

Complete these calculations for each family size surveyed.

10. Add Columns (6), (7), (8), (9), and (10) from top to bottom and enter the sums on the TOTALS line.
11. Total Persons Surveyed equals the Total of Low/moderate Income Persons and Non-low/moderate Income Persons Surveyed.
12. Low/Mod Percentage equals the Total Number of Low/moderate Income Persons Surveyed divided by the Total Persons Surveyed.
13. Survey Average Family Size equals the Total Persons Surveyed divided by the Total Number of Responses. Round off to two digits (e.g., 2.5786 to 2.58) to the right of the decimal point.
14. Number of Households Not Surveyed equals the Number of Households Receiving Project Benefits minus the Number of Households Not Responding to the Survey.
15. Number of Beneficiaries Not Surveyed equals the Survey Average Family Size multiplied by the Number of Households Not Surveyed. Round off to the nearest whole number (e.g., 28.56 to 29 or 27.41 to 27).

16. Low/Mod Beneficiaries Not Surveyed equals the Number of Beneficiaries not Surveyed multiplied by the Low/Mod Percentage. Round off to the nearest whole number (e.g., 16.75 to 17 or 16.23 to 16).
17. When entering the proposed project beneficiaries on your 2005 Community Development Fund Application, be sure to include the actual target area beneficiaries surveyed and the target area beneficiaries not surveyed:

Total Beneficiaries = TOTAL PERSONS SURVEYED (11) + NUMBER OF BENEFICIARIES NOT SURVEYED (15).

Total Low/Mod Beneficiaries = TOTAL OF COLUMN (9) + LOW/MOD BENEFICIARIES NOT SURVEYED (16).

The chief local elected official for the applicant must review and sign the form. The person signing the SURVEY TABULATION FORM may be contacted by the TXCDBG concerning the results of our survey verification. Please include the official's Title, Phone Number (include area code) and Address (include address, city and zip code). Fill in the Date that the SURVEY TABULATION FORM was signed/completed.

NOTE: Activity beneficiaries residing in Public Housing Authority (PHA) units, other publicly assisted housing units, nursing homes, etc., cannot be included in the tabulation of the survey, or be counted towards the survey response rate requirement, unless each family or person residing in such housing is surveyed and a questionnaire is completed for each family or person. Activity beneficiaries residing in such housing should be documented through a signed document from a PHA Director, Director of the program providing the housing assistance, or Director/Manager of the nursing home.

TXCDBG SURVEY TABULATION FORM

APPLICANT _____

(1) NUMBER OF HOUSEHOLDS RECEIVING PROJECT BENEFITS _____

(2) NUMBER OF HOUSEHOLDS CONTACTED _____

(3) NUMBER OF HOUSEHOLDS RESPONDING TO THE SURVEY _____

(4) SURVEY RESPONSE RATE = (3) DIVIDED BY 1) = _____ = _____ %

BREAKDOWN OF SURVEY RESPONSES BY FAMILY SIZE

(5)	(6)	(7)	(8)	(9)	(10)
FAMILY SIZE	NUMBER OF RESPONSES	NUMBER OF LOW/MOD RESPONSES	NUMBER OF NON LOW/MOD RESPONSES	NUMBER OF LOW/MOD PERSONS	NUMBER OF NON LOW/MOD PERSONS
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
TOTALS					

(11) TOTAL PERSONS SURVEYED = TOTAL OF (9) + TOTAL OF (10) = _____

(12) LOW/MOD PERCENTAGE = TOTAL OF (9) DIVIDED BY (11) = _____ = _____

(13) SURVEY AVERAGE FAMILY SIZE = (11) DIVIDED BY TOTAL OF (6) = _____ = _____

(14) NUMBER OF HOUSEHOLDS NOT SURVEYED = (1) MINUS (3) = _____

(15) NUMBER OF BENEFICIARIES NOT SURVEYED = (13) X (14) = _____

(16) LOW/MOD BENEFICIARIES NOT SURVEYED = (12) X (15) = _____

(17) TOTAL BENEFICIARIES = (11) + (15) = _____

TOTAL LOW/MOD BENEFICIARIES = TOTAL OF (9) + (16) = _____

CERTIFICATION: I, THE CHIEF ELECTED OFFICIAL FOR THIS JURISDICTION, CERTIFIES THAT THE INFORMATION IN THIS REPORT AND THE SURVEY LOCATIONS FORM IS CORRECT TO THE BEST OF MY KNOWLEDGE AND WAS REPORTED IN ACCORDANCE WITH THE ACCOMPANYING INSTRUCTIONS.

SIGNATURE: _____ TITLE: _____

ADDRESS: _____

PHONE NUMBER: _____ DATE: _____

TXCDBG SURVEY TABULATION FORM

APPLICANT City of XYZ

(1) NUMBER OF HOUSEHOLDS RECEIVING PROJECT BENEFITS	<u>70</u>
(2) NUMBER OF HOUSEHOLDS CONTACTED	<u>70</u>
(3) NUMBER OF HOUSEHOLDS RESPONDING TO THE SURVEY	<u>60</u>
(4) SURVEY RESPONSE RATE = (3) DIVIDED BY 1) =	<u>85.71%</u>

BREAKDOWN OF SURVEY RESPONSES BY FAMILY SIZE

(5)	(6)	(7)	(8)	(9)	(10)
FAMILY SIZE	NUMBER OF RESPONSES	NUMBER OF LOW/MOD RESPONSES	NUMBER OF NON LOW/MOD RESPONSES	NUMBER OF LOW/MOD PERSONS	NUMBER OF NON LOW/MOD PERSONS
1	14	9	5	9	5
2	11	7	4	14	8
3	13	8	5	24	15
4	10	7	3	28	12
5	7	5	2	25	10
6	3	2	1	12	6
7	2	1	1	7	7
8					
9					
10					
11					
12					
TOTALS	60	39	21	119	63

(11) TOTAL PERSONS SURVEYED = TOTAL OF (9) + TOTAL OF (10) =	<u>182</u>
(12) LOW/MOD PERCENTAGE = TOTAL OF (9) DIVIDED BY (11) =	<u>119/182 = 65.38</u>
(13) SURVEY AVERAGE FAMILY SIZE = (11) DIVIDED BY TOTAL OF (6) =	<u>182/60 = 3.03</u>
(14) NUMBER OF HOUSEHOLDS NOT SURVEYED = (1) MINUS (3) =	<u>10</u>
(15) NUMBER OF BENEFICIARIES NOT SURVEYED = (13) X (14) =	<u>30</u>
(16) LOW/MOD BENEFICIARIES NOT SURVEYED = (12) X (15) =	<u>20</u>
(17) TOTAL BENEFICIARIES = (11) + (15) =	<u>212</u>
TOTAL LOW/MOD BENEFICIARIES = TOTAL OF (9) + (16) =	<u>139</u>

CERTIFICATION: I, THE CHIEF ELECTED OFFICIAL FOR THIS JURISDICTION, CERTIFIES THAT THE INFORMATION IN THIS REPORT AND THE SURVEY LOCATIONS FORM IS CORRECT TO THE BEST OF MY KNOWLEDGE AND WAS REPORTED IN ACCORDANCE WITH THE ACCOMPANYING INSTRUCTIONS.

SIGNATURE: _____ TITLE: _____

ADDRESS: _____

PHONE NUMBER: _____ DATE: _____

INSTRUCTIONS FOR COMPLETING THE TXCDBG SURVEY LOCATIONS FORM

1. Fill in the name of the applicant. If the applicant is a county, please also include the name of the unincorporated community (if applicable) where the survey was conducted (e.g., Frown County -- Smiling Acres Community).
2. After the survey questionnaires have been sorted by street name, fill in the street name for each street included in the survey. Streets that have east, west, north, and south designations (North Brown - South Brown, West Smith - East Smith) should also be separated by those designations.
3. Next, for each street name, count the number of survey questionnaires by responses, non-responses, and vacant homes and insert the number for each in the correct column. Now, complete the Survey Locations Form (Page A-34) by inserting each street name that was surveyed and the number of survey questionnaires, by responses, non-responses and vacant homes, for that street name.
4. After all of the streets that are included in the survey have been entered on the Form, count the total number of responses, non-responses and vacant homes and enter this information at the top of the form.

TXCDBG SURVEY LOCATIONS FORM

APPLICANT: _____

NUMBER OF RESPONSES: _____ **NUMBER OF NON-RESPONSES:** _____

NUMBER OF VACANT HOMES: _____

[illegible]

2004 HUD SECTION 8 INCOME LIMITS - (By County)

2004 PROGRAM YEAR

FAMILY SIZE

<u>COUNTY</u>	<u>1</u> <u>Person</u>	<u>2</u> <u>Person</u>	<u>3</u> <u>Person</u>	<u>4</u> <u>Person</u>	<u>5</u> <u>Person</u>	<u>6</u> <u>Person</u>	<u>7</u> <u>Person</u>	<u>8</u> <u>Person</u>	<u>9</u> <u>Person</u>	<u>10</u> <u>Person</u>	<u>11</u> <u>Person</u>	<u>12</u> <u>Person</u>
Anderson	25100	28650	32250	35850	38700	41550	44450	47300	50200	53050	55950	58800
Andrews	25950	29650	33350	37050	40000	42950	45950	48900	51850	54850	57800	60750
Angelina	25150	28750	32350	35900	38800	41650	44550	47400	50250	53150	56000	58900
Aransas	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Archer	26450	30200	34000	37750	40800	43800	46800	49850	52850	55850	58900	61900
Armstrong	28850	32950	37100	41200	44500	47800	51100	54400	57700	61000	64250	67550
Atascosa	24750	28300	31800	35350	38200	41000	43850	46700	49500	52300	55150	57950
Austin	31450	35950	40450	44950	48550	52150	55750	59350	62950	66550	70100	73700
Bailey	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Bandera	29950	34250	38500	42800	46200	49650	53050	56500	59900	63350	66750	70200
Bastrop	39800	45500	51200	56900	61450	66000	70550	75100	79650	84200	88750	93300
Baylor	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Bee	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Bell	26600	30400	34200	38000	41050	44100	47100	50150	53200	56250	59300	62300
Bexar	28850	32950	37100	41200	44500	47800	51100	54400	57700	61000	64250	67550
Blanco	30850	35250	39650	44100	47600	51150	54650	58200	61750	65250	68800	72300
Borden	25000	28550	32100	35700	38550	41400	44250	47100	50000	52850	55700	58550
Bosque	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Bowie	25050	28600	32200	35750	38600	41500	44350	47200	50050	52900	55750	58650
Brazoria	35200	40250	45300	50300	54350	58350	62400	66400	70400	74450	78450	82500
Brazos	30250	34550	38900	43200	46650	50100	53550	57000	60500	63950	67400	70850
Brewster	23950	27400	30800	34250	37000	39700	42450	45200	47950	50700	53450	56150
Briscoe	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Brooks	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Brown	24300	27800	31250	34700	37500	40300	43050	45850	48600	51350	54150	56900
Burleson	27150	31050	34900	38800	41900	45000	48100	51200	54300	57400	60550	63650
Burnet	29450	33650	37850	42100	45450	48800	52200	55550	58950	62300	65700	69050
Caldwell	39800	45500	51200	56900	61450	66000	70550	75100	79650	84200	88750	93300
Calhoun	25500	29100	32750	36400	39300	42200	45150	48050	50950	53850	56800	59700
Callahan	24100	27500	30950	34400	37150	39900	42650	45400	48150	50900	53650	56400
Cameron	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Camp	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Carson	31650	36150	40700	45200	48800	52450	56050	59650	63300	66900	70500	74150
Cass	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Castro	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600

2004 PROGRAM YEAR
FAMILY SIZE

<u>COUNTY</u>	<u>1</u> <u>Person</u>	<u>2</u> <u>Person</u>	<u>3</u> <u>Person</u>	<u>4</u> <u>Person</u>	<u>5</u> <u>Person</u>	<u>6</u> <u>Person</u>	<u>7</u> <u>Person</u>	<u>8</u> <u>Person</u>	<u>9</u> <u>Person</u>	<u>10</u> <u>Person</u>	<u>11</u> <u>Person</u>	<u>12</u> <u>Person</u>
Chambers	34150	39050	43900	48800	52700	56600	60500	64400	68300	72200	76150	80050
Cherokee	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Childress	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Clay	26300	30100	33850	37600	40600	43600	46600	49650	52650	55650	58650	61650
Cochran	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Coke	24900	28500	32050	35600	38450	41300	44150	47000	49850	52700	55550	58400
Coleman	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Collin	37250	42550	47900	53200	57450	61700	65950	70200	74500	78750	83000	87250
Collingsworth	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Colorado	27000	30850	34700	38550	41650	44750	47800	50900	53950	57050	60150	63200
Comal	28850	32950	37100	41200	44500	47800	51100	54400	57700	61000	64250	67550
Comanche	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Concho	24400	27900	31400	34900	37650	40450	43250	46050	48850	51650	54450	57250
Cooke	30200	34500	38800	43100	46550	50000	53450	56900	60350	63800	67250	70700
Coryell	26600	30400	34200	38000	41050	44100	47100	50150	53200	56250	59300	62300
Cottle	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Crane	25300	28950	32550	36150	39050	41950	44850	47750	50600	53500	56400	59300
Crockett	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Crosby	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Culberson	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Dallam	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Dallas	37250	42550	47900	53200	57450	61700	65950	70200	74500	78750	83000	87250
Dawson	24000	27450	30900	34300	37050	39800	42550	45300	48000	50750	53500	56250
De Witt	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Deaf Smith	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Delta	29300	33450	37650	41850	45200	48550	51900	55250	58600	61950	65300	68650
Denton	37250	42550	47900	53200	57450	61700	65950	70200	74500	78750	83000	87250
Dickens	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Dimmit	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Donley	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Duval	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Eastland	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Ector	27150	31050	34900	38800	41900	45000	48100	51200	54300	57400	60550	63650
Edwards	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
El Paso	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Ellis	37250	42550	47900	53200	57450	61700	65950	70200	74500	78750	83000	87250
Erath	24900	28500	32050	35600	38450	41300	44150	47000	49850	52700	55550	58400

2004 PROGRAM YEAR
FAMILY SIZE

<u>COUNTY</u>	<u>1</u> <u>Person</u>	<u>2</u> <u>Person</u>	<u>3</u> <u>Person</u>	<u>4</u> <u>Person</u>	<u>5</u> <u>Person</u>	<u>6</u> <u>Person</u>	<u>7</u> <u>Person</u>	<u>8</u> <u>Person</u>	<u>9</u> <u>Person</u>	<u>10</u> <u>Person</u>	<u>11</u> <u>Person</u>	<u>12</u> <u>Person</u>
Falls	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Fannin	27450	31350	35300	39200	42350	45450	48600	51750	54900	58000	61150	64300
Fayette	28100	32150	36150	40150	43350	46600	49800	53000	56200	59400	62650	65850
Fisher	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Floyd	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Foard	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Fort Bend	34150	39050	43900	48800	52700	56600	60500	64400	68300	72200	76150	80050
Franklin	26550	30350	34150	37900	40950	44000	47000	50050	53050	56100	59100	62150
Freestone	25100	28650	32250	35850	38700	41550	44450	47300	50200	53050	55950	58800
Frio	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Gaines	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Galveston	33500	38250	43050	47850	51650	55500	59300	63150	67000	70800	74650	78450
Garza	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Gillespie	30250	34550	38900	43200	46650	50100	53550	57000	60500	63950	67400	70850
Glasscock	27050	30900	34800	38650	41750	44800	47900	51000	54100	57200	60300	63400
Goliad	24150	27600	31050	34500	37250	40000	42750	45500	48300	51050	53800	56600
Gonzales	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Gray	25750	29450	33100	36800	39750	42700	45650	48600	51500	54450	57400	60350
Grayson	28800	32900	37000	41100	44400	47700	51000	54300	57550	60850	64100	67400
Gregg	26600	30400	34200	38000	41050	44100	47100	50150	53200	56250	59300	62300
Grimes	25400	29050	32700	36300	39250	42150	45050	47950	50800	53700	56650	59550
Guadalupe	28850	32950	37100	41200	44500	47800	51100	54400	57700	61000	64250	67550
Hale	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Hall	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Hamilton	24250	27700	31200	34650	37400	40200	42950	45700	48500	51300	54050	56850
Hansford	25000	28550	32100	35700	38550	41400	44250	47100	50000	52850	55700	58550
Hardeman	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Hardin	26800	30650	34500	38300	41400	44450	47500	50600	53600	56700	59750	62800
Harris	34150	39050	43900	48800	52700	56600	60500	64400	68300	72200	76150	80050
Harrison	26600	30400	34200	38000	41050	44100	47100	50150	53200	56250	59300	62300
Hartley	34800	39750	44700	49700	53650	57650	61600	65600	69600	73550	77550	81500
Haskell	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Hays	39800	45500	51200	56900	61450	66000	70550	75100	79650	84200	88750	93300
Hemphill	28950	33100	37200	41350	44650	48000	51300	54600	57900	61200	64500	67800
Henderson	24200	27650	31100	34550	37300	40100	42850	45600	48350	51150	53900	56650
Hidalgo	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Hill	23800	27200	30600	34000	36700	39450	42150	44900	47600	50300	53050	55750

2004 PROGRAM YEAR
FAMILY SIZE

<u>COUNTY</u>	<u>1</u> <u>Person</u>	<u>2</u> <u>Person</u>	<u>3</u> <u>Person</u>	<u>4</u> <u>Person</u>	<u>5</u> <u>Person</u>	<u>6</u> <u>Person</u>	<u>7</u> <u>Person</u>	<u>8</u> <u>Person</u>	<u>9</u> <u>Person</u>	<u>10</u> <u>Person</u>	<u>11</u> <u>Person</u>	<u>12</u> <u>Person</u>
Hockley	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Hood	35100	40150	45150	50150	54150	58200	62200	66200	70200	74200	78250	82250
Hopkins	24150	27600	31050	34500	37250	40000	42750	45500	48300	51050	53800	56600
Houston	24650	28150	31700	35200	38000	40850	43650	46450	49300	52100	54900	57750
Howard	23950	27400	30800	34250	37000	39700	42450	45200	47950	50700	53450	56150
Hudspeth	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Hunt	37250	42550	47900	53200	57450	61700	65950	70200	74500	78750	83000	87250
Hutchinson	27700	31700	35650	39600	42750	45950	49100	52250	55450	58600	61800	64950
Irion	30700	35050	39450	43850	47350	50850	54350	57850	61400	64900	68400	71900
Jack	25750	29450	33100	36800	39750	42700	45650	48600	51500	54450	57400	60350
Jackson	27100	31000	34850	38700	41800	44900	48000	51100	54200	57300	60350	63450
Jasper	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Jeff Davis	28600	32700	36800	40900	44150	47400	50700	53950	57250	60550	63800	67100
Jefferson	26800	30650	34500	38300	41400	44450	47500	50600	53600	56700	59750	62800
Jim Hogg	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Jim Wells	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Johnson	35100	40150	45150	50150	54150	58200	62200	66200	70200	74200	78250	82250
Jones	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Karnes	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Kaufman	37250	42550	47900	53200	57450	61700	65950	70200	74500	78750	83000	87250
Kendall	37950	43400	48800	54250	58600	62900	67250	71600	75950	80300	84650	88950
Kenedy	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Kent	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Kerr	26700	30550	34350	38150	41200	44250	47300	50350	53400	56450	59500	62550
Kimble	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
King	26700	30550	34350	38150	41200	44250	47300	50350	53400	56450	59500	62550
Kinney	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Kleberg	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Knox	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
La Salle	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Lamar	25050	28600	32200	35750	38600	41500	44350	47200	50050	52900	55750	58650
Lamb	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Lampasas	25350	29000	32600	36250	39150	42050	44950	47850	50750	53650	56550	59450
Lavaca	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Lee	27950	31950	35950	39900	43100	46300	49500	52700	55850	59050	62250	65450
Leon	24700	28200	31750	35300	38100	40900	43750	46550	49400	52250	55050	57900
Liberty	34150	39050	43900	48800	52700	56600	60500	64400	68300	72200	76150	80050

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Limestone	24100	27500	30950	34400	37150	39900	42650	45400	48150	50900	53650	56400
Lipscomb	27350	31250	35150	39050	42150	45300	48400	51550	54650	57800	60900	64050
Live Oak	24750	28300	31800	35350	38200	41000	43850	46700	49500	52300	55150	57950
Llano	26500	30250	34050	37850	40850	43900	46900	49950	53000	56000	59050	62050
Loving	36400	41600	46800	52000	56150	60300	64500	68650	72800	76950	81100	85300
Lubbock	26150	29900	33600	37350	40350	43350	46350	49300	52300	55300	58250	61250
Lynn	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Madison	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Marion	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Martin	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Mason	27850	31800	35800	39750	42950	46100	49300	52500	55650	58850	62000	65200
Matagorda	26450	30200	34000	37750	40800	43800	46800	49850	52850	55850	58900	61900
Maverick	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
McCulloch	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
McLennan	26200	29950	33700	37450	40450	43450	46450	49400	52450	55450	58400	61400
McMullen	25100	28650	32250	35850	38700	41550	44450	47300	50200	53050	55950	58800
Medina	25200	28800	32400	36000	38900	41750	44650	47500	50400	53300	56150	59050
Menard	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Midland	27150	31050	34900	38800	41900	45000	48100	51200	54300	57400	60550	63650
Milam	25950	29650	33350	37050	40000	42950	45950	48900	51850	54850	57800	60750
Mills	23850	27250	30650	34100	36800	39550	42250	45000	47750	50450	53200	55900
Mitchell	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Montague	24650	28150	31700	35200	38000	40850	43650	46450	49300	52100	54900	57750
Montgomery	34150	39050	43900	48800	52700	56600	60500	64400	68300	72200	76150	80050
Moore	25050	28600	32200	35750	38600	41500	44350	47200	50050	52900	55750	58650
Morris	24100	27500	30950	34400	37150	39900	42650	45400	48150	50900	53650	56400
Motley	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Nacogdoches	24450	27950	31450	34950	37750	40550	43350	46150	48950	51750	54500	57300
Navarro	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Newton	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Nolan	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Nueces	26300	30100	33850	37600	40600	43600	46600	49650	52650	55650	58650	61650
Ochiltree	31400	35900	40400	44900	48450	52050	55650	59250	62850	66450	70050	73650
Oldham	26400	30150	33900	37700	40700	43700	46700	49750	52800	55800	58800	61850
Orange	26800	30650	34500	38300	41400	44450	47500	50600	53600	56700	59750	62800
Palo Pinto	24250	27700	31200	34650	37400	40200	42950	45700	48500	51300	54050	56850
Panola	25100	28650	32250	35850	38700	41550	44450	47300	50200	53050	55950	58800

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Parker	35100	40150	45150	50150	54150	58200	62200	66200	70200	74200	78250	82250
Parmer	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Pecos	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Polk	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Potter	27650	31600	35550	39500	42700	45850	49000	52150	55300	58450	61600	64800
Presidio	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Rains	26100	29800	33550	37300	40250	43250	46250	49200	52200	55200	58200	61150
Randall	27650	31600	35550	39500	42700	45850	49000	52150	55300	58450	61600	64800
Reagan	25700	29400	33050	36700	39650	42600	45550	48450	51400	54300	57250	60200
Real	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Red River	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Reeves	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Refugio	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Roberts	29750	34000	38250	42500	45900	49300	52700	56050	59500	62900	66300	69700
Robertson	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Rockwall	37250	42550	47900	53200	57450	61700	65950	70200	74500	78750	83000	87250
Runnels	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Rusk	24150	27600	31050	34500	37250	40000	42750	45500	48300	51050	53800	56600
Sabine	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
San Augustine	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
San Jacinto	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
San Patricio	26300	30100	33850	37600	40600	43600	46600	49650	52650	55650	58650	61650
San Saba	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Schleicher	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Scurry	26300	30100	33850	37600	40600	43600	46600	49650	52650	55650	58650	61650
Shackelford	25200	28800	32400	36000	38900	41750	44650	47500	50400	53300	56150	59050
Shelby	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Sherman	24850	28400	31950	35500	38350	41200	44050	46900	49700	52550	55400	58200
Smith	28200	32250	36300	40300	43550	46750	50000	53200	56400	59650	62850	66100
Somervell	28900	33000	37150	41300	44600	47900	51200	54500	57800	61100	64450	67750
Starr	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Stephens	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Sterling	27250	31150	35050	38950	42100	45200	48300	51450	54550	57650	60750	63900
Stonewall	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Sutton	26800	30650	34500	38300	41400	44450	47500	50600	53600	56700	59750	62800
Swisher	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Tarrant	35100	40150	45150	50150	54150	58200	62200	66200	70200	74200	78250	82250

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Taylor	26450	30200	34000	37750	40800	43800	46800	49850	52850	55850	58900	61900
Terrell	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Terry	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Throckmorton	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Titus	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Tom Green	24850	28400	31950	35500	38350	41200	44050	46900	49700	52550	55400	58200
Travis	39800	45500	51200	56900	61450	66000	70550	75100	79650	84200	88750	93300
Trinity	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Tyler	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Upshur	26600	30400	34200	38000	41050	44100	47100	50150	53200	56250	59300	62300
Upton	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Uvalde	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Val Verde	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Van Zandt	26000	29700	33400	37100	40100	43050	46050	49000	51950	54900	57900	60850
Victoria	29700	33900	38150	42400	45800	49200	52600	55950	59350	62750	66150	69550
Walker	27600	31550	35500	39450	42600	45750	48900	52050	55250	58400	61550	64700
Waller	34150	39050	43900	48800	52700	56600	60500	64400	68300	72200	76150	80050
Ward	23800	27200	30600	34000	36700	39450	42150	44900	47600	50300	53050	55750
Washington	28350	32400	36450	40500	43700	46950	50200	53450	56700	59950	63200	66400
Webb	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Wharton	26300	30100	33850	37600	40600	43600	46600	49650	52650	55650	58650	61650
Wheeler	25000	28550	32100	35700	38550	41400	44250	47100	50000	52850	55700	58550
Wichita	26450	30200	34000	37750	40800	43800	46800	49850	52850	55850	58900	61900
Wilbarger	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Willacy	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Williamson	39800	45500	51200	56900	61450	66000	70550	75100	79650	84200	88750	93300
Wilson	28850	32950	37100	41200	44500	47800	51100	54400	57700	61000	64250	67550
Winkler	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Wise	31200	35650	40100	44550	48100	51700	55250	58800	62350	65950	69500	73050
Wood	24100	27500	30950	34400	37150	39900	42650	45400	48150	50900	53650	56400
Yoakum	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Young	23800	27200	30600	34000	36700	39450	42150	44900	47600	50300	53050	55750
Zapata	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600
Zavala	23750	27150	30550	33900	36650	39350	42050	44750	47450	50150	52900	55600

APPENDIX IV

USE OF 2000 CENSUS DATA TO DETERMINE LOW/MODERATE INCOME BENEFIT

When TXCDBG requirements are met, information contained in 2000 Census Summary Files (SF 3 and SF 1) can be used to identify the number of beneficiaries and the extent of benefit to low to moderate income persons for an applicant's proposed activities.

To qualify an application activity under the national program objective of principally benefitting low and moderate income persons, at least fifty-one percent (51%) of the beneficiaries of the activity must be low and moderate income persons.

Summary File 3 (SF 3) contains an extensive amount of information that is based on a sample count (from information requested on the 2000 Census long form questionnaire) of the persons located in census geographic areas.

HUD used 2000 Census SF 3 information to calculate the number and percentage of low and moderate income persons in each census geographic area in Texas. This information can be found at: www.hud.gov/offices/cpd (2003 News Archive, December of 2003).

The TXCDBG has obtained the HUD document that includes this information. The HUD document has the SF 3 sample count number of persons and number and percentage of low and moderate income persons, as calculated by HUD, for census geographic areas in incorporated and unincorporated areas, by place (city or census designated place), census tract, and block group.

The TXCDBG will not accept any substitution for this HUD Census-based information from any other source. Any applicant considering the use of 2000 Census data to document application activity beneficiaries may contact the TXCDBG staff for this information or obtain the information from the HUD website.

Summary File 1 (SF 1) information is limited to population and housing information that is based on a 100% count of persons. The number of persons located in a 2000 Census block number is available from SF 1, but the low to moderate income percentage for these persons is not available by block number.

When an applicant activity will only benefit a portion of a 2000 Census block group, the applicant must use SF 1 population information (100% count population) by block number to document that a significant number of the persons in that block group (at least 60% of the persons) will benefit from the activity.

The TXCDBG will not allow an applicant to use the HUD-calculated low to moderate income percentage for a block group unless at least 60% of the persons located in that block group will benefit from the activity.

The Census Bureau definitions for some of the 2000 census geographic areas are as follows:

Census County Division (CCD) - A subdivision of a county that is a relatively permanent statistical area established cooperatively by the Census Bureau and state and local government authorities. Used for presenting decennial census statistics in those states that do not have well-defined and stable minor civil divisions that serve as local governments.

Place - A concentration of population either legally bounded as an incorporated place, or identified as a Census Designated Place (CDP). Incorporated places have legal descriptions of borough, city, town, or village.

Census Tract - A small relatively permanent statistical subdivision of a county delineated by a local committee of census data users for the purpose of presenting data. Census tract boundaries normally follow visible features, but may follow governmental unit boundaries and other non-visible features in some instances; they always nest within counties. Designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time of establishment, census tracts average about 4,000 inhabitants. They may be split by any sub-county geographic entity.

Block Numbering Area (BNA) – Prior to Census 2000, a statistical subdivision created for grouping and numbering blocks within a county for which census tracts had not been established. Beginning with Census 2000, all counties have census tracts, making block numbering areas unnecessary

Block Group (BG) – A subdivision of a census tract (or, prior to Census 2000, a block numbering area), a block group is the smallest geographic unit for which the Census Bureau tabulates sample data. A block group consists of all the blocks within a census tract with the same beginning number. Example: block group 3 consists of all blocks within a 2000 census tract numbering from 3000 to 3999. In 1990, block group 3 consisted of all blocks numbered from 301 to 399Z.

Block – A subdivision of a census tract (or prior to 2000, a block numbering area), a block is the smallest geographic unit for which the Census Bureau tabulates 100-percent data. Many blocks correspond to individual city blocks bounded by streets, but blocks, many in rural areas, may include many square miles and may have some boundaries that are not streets. The Census Bureau established blocks covering the entire nation for the first time in 1990. Previous censuses back to 1940 had blocks established only for part of the nation. Over 8 million blocks are identified for Census.

The TXCDBG will only allow the use of the HUD 2000 Census-based information to qualify an activity and to document the activity beneficiaries under the following conditions:

1. The project activity will benefit all of the persons within a census geographic area or a significant number of the persons (at least 60% of the persons) within a census geographic area. The census geographic area could be a county, place, census tract, or block group.
2. If only HUD 2000 Census-based information is used to document the beneficiaries of an application activity, the low/moderate income benefit percentage must be at least 51% (not 50.99%) for a single census geographic area or for combinations of two or more census geographic areas.
3. The HUD 2000 Census-based information may be used in combination with TXCDBG survey beneficiaries, income eligible beneficiaries, and condition eligible beneficiaries to document the beneficiaries of an application activity. Again, the activity must benefit at least 51% low to moderate income persons.

In the event that an application activity does not benefit an entire census geographic area, or a significant number of the persons within a census geographic area, then the applicant must use another method to document the beneficiaries. The applicant should then consider conducting a local TXCDBG survey to document the beneficiaries and the low/mod benefit percentage for the activity. A local survey is usually the best way to document the beneficiaries of direct benefit activities.

Different combinations of 2000 census geographic areas can be used to maximize the low/moderate income percentage.

As an example, a city proposing a citywide benefit activity has 2 census tracts with 5 block groups in each census tract. Two different types of census geographic areas (place or block group data) can be used to calculate the low/mod income percentage:

- The place data low/mod percentage is 59.68%.
- The low/mod percentage when adding the 10 block groups together is 60.10%.
- The city may use the 60.10% low/mod percentage for the activity.

The following examples illustrate when census data can and cannot be used to qualify projects through a combination of census geographic areas.

EXAMPLE #1 - City A wants to apply for a direct benefit project which includes the installation of water distribution lines and fire hydrants in 2 block group (BG) areas.

- The project will benefit 35% of the residents of BG 5 and BG 5 is 80% low/mod (376 low/mod persons and 470 total residents)
- The project will benefit 20% of the residents of BG 6 and BG 6 is 55% low/mod (341 low/mod persons and 620 total residents)
- Can City A use 2000 Census data to qualify this project? No.
- The TXCDBG could not allow the use of 2000 Census data to qualify this project because the project **will not benefit a significant number of BG 5 or BG 6 residents.**

EXAMPLE #2 - City B wants to apply for a citywide benefit project that includes the drilling of a new water well and a new 500,000 gallon ground storage tank. City B boundaries include 4 census geographic areas (census tracts):

- The low/mod percentage based on citywide (place) census data is 50.07% (1,012 low/mod persons and 2,021 total citywide beneficiaries).
- The low/mod percentage based on the block group data within the 4 census tracts is 50.62% (1,023 low/mod persons and 2,021 total citywide beneficiaries).
- City B cannot qualify the project using 2000 Census data because the project will not benefit at least 51% low/moderate income persons.

EXAMPLE #3 - City C wants to apply for a direct benefit project that includes the installation of water distribution lines and fire hydrants in 2 block group (BG) areas. The project will benefit a **significant number** of BG 2 residents (approximately 70% of BG 2 residents) and a small section of BG 3 (about 5% of BG 3 residents) according to the following SF 1 block number information (**block numbers benefitting from the activity are underlined**):

BG2		BG 3	
Block Number	Population	Block Number	Population
<u>2101</u>	<u>110</u>	3101	80
<u>2102A</u>	<u>45</u>	3102	105
<u>2103</u>	<u>62</u>	<u>3103</u>	<u>20</u>
<u>2105</u>	<u>72</u>	<u>3106</u>	<u>16</u>
<u>2106</u>	<u>56</u>	3107	79
<u>2108</u>	<u>70</u>	3108	104
<u>2109</u>	<u>35</u>	3109A	95
2110	68	3110	67
2111	74	3112	91
2112	58	3113	63
<u>455</u>	<u>650</u>	<u>36</u>	<u>720</u>

- BG 2 is 70% low/mod (455 low/mod persons and 650 total residents) according to 2000 Census data.
- BG 3 is 45% low/mod (324 low/mod persons and 720 total residents) according to 2000 Census data.
- Can City C use 2000 Census data to qualify this project? Yes and no.
- The TXCDBG would allow the use of 2000 Census data for BG 2 but not for BG 3. City C would be advised to use census data for BG 2 and to survey the beneficiaries located in BG 3.
- City C surveys BG 3 beneficiaries and the survey identifies 35 total and 28 low/moderate income beneficiaries.
- The number of beneficiaries in BG 2 (about 70% of BG 2 residents) is 450 total and 315 low/moderate income.
- The beneficiaries for the activity are 485 total and 343 low/moderate income.

EXAMPLE #4 - City D wants to apply for an area benefit project that includes the installation of sewer collection lines, a lift station, and manholes in 2 block group (BG) areas. The project will benefit a significant number of BG 3 residents (approximately 70% of BG 3 residents) and a significant number of BG 4 residents (about 80% of BG 4 residents) according to the following SF 1 block number information (**block numbers benefitting from the activity are underlined**).

BG 3		BG 4	
<u>Block Number</u>	<u>Population</u>	<u>Block Number</u>	<u>Population</u>
<u>3101</u>	<u>87</u>	<u>4101</u>	<u>89</u>
<u>3102</u>	<u>63</u>	<u>4102</u>	<u>109</u>
<u>3103</u>	<u>77</u>	<u>4103</u>	<u>77</u>
3104A	95	<u>4104</u>	<u>66</u>
3105	52	4106	97
<u>3107</u>	<u>107</u>	<u>4107A</u>	<u>124</u>
<u>3109</u>	<u>46</u>	4108	93
<u>3110</u>	<u>47</u>	<u>4109</u>	<u>78</u>
3111	53	<u>4110</u>	<u>92</u>
<u>3112</u>	<u>23</u>	<u>4112</u>	<u>75</u>
<u>450</u>	<u>650</u>	<u>710</u>	<u>900</u>

- BG 3 is 70% low/mod (455 low/mod persons and 650 total residents) according to 2000 Census data.
- BG 4 is 60% low/mod (540 low/mod persons and 900 total residents) according to 2000 Census data.
- Can City D use 2000 Census data to qualify this project? Yes.
- The TXCDBG would allow the use of 2000 Census data for BG 3 and BG 4.
- The number of beneficiaries in BG 3 (about 70% of BG 3 residents) is 450 total and 315 low/moderate income.
- The number of beneficiaries in BG 4 (about 80% of BG 4 residents) is 710 total and 426 low/moderate income.
- The beneficiaries for the activity are 1,160 total and 741 low/moderate income.

Applicants using 2000 Census data to document activity beneficiaries must submit the following information with the application:

- A copy of the information from the HUD document for the applicant and/or the TXCDBG-completed cover sheet which includes low/mod benefit percentages for each census geographic area.
- A copy of the methodology and the supporting documentation (SF 1 information if applicable) used to determine the total number and number of low/mod beneficiaries for a census geographic area where only a portion of the census geographic area is receiving benefit from an application activity.
- For target area activities that do not benefit the entire city or county, a census map which contains the numbers for each census geographic area, the boundaries of each census geographic area, and the locations of the project activities within each census geographic area receiving project benefit.

The 2000 Census information (SF 3) and maps are available from various state agencies and from various websites. When trying to obtain information or maps, first check with your local Council of Governments, as most have these materials for their respective regions. You may also contact TXCDBG staff for information concerning the availability of 2000 Census information. Census maps can be found on the Census Bureau website at <http://factfinder.census.gov/home/saff/main.html> or on the Texas State Data Center website at <http://txsdc.tamu.edu>.

APPENDIX V

STATISTICAL INFORMATION AND METHODOLOGY

The following provides the data sources and methodology for TXCDBG scoring of the Community Distress, Benefit to Low/Moderate Income Persons, Matching Funds and Project Impact factors for the Community Development Fund, Colonia Construction Fund, and Housing Rehabilitation Fund.

DATA SOURCES AND METHODOLOGY FOR COMMUNITY DISTRESS SCORING

INCORPORATED CITY APPLICATIONS

For an incorporated city, the data used to score Community Distress factors, with the exception of the unemployment rate, is based on the most current available decennial Census SF 3 information for the city's entire population.

For a new incorporated city that was not included in the most current available decennial Census as an incorporated city, the data used to score Community Distress is based on the most current available decennial Census information for the entire county unincorporated population unless:

- the new incorporated city submits to the TXCDBG a written request to use the most current available decennial census geographic area information;
- AND**
- the city provides the most current available decennial Census maps showing census tracts, or block numbering areas, and block groups (the census geographic area numbers must be legibly shown on these maps and the corporate city limits must be drawn on the Census maps) that are located within the city limits of the new city.
- The TXCDBG will then, as accurately as possible, provide the Community Distress census information that coincides with the census geographic areas located within the city limits.

COUNTY APPLICATIONS

For a county, the data used to score Community Distress factors, with the exception of the unemployment rate, is based on the most current available decennial Census SF 3 information for:

- the county's entire population (for county-wide benefit activities)
- the county's entire unincorporated population (for activities that only benefit persons in unincorporated areas)
- or the most current available decennial census geographic area information specific to the unincorporated areas benefitting from the county's TXCDBG application activities (for activities that only benefit persons in unincorporated areas)

The TXCDBG will only consider the use of census geographic area specific information for county applications where the application activities benefit no more than two (2) separate unincorporated target areas. County applications that include application activities for unincorporated areas that are located in more than two (2) county precincts are scored on the Community Distress factors for the entire county unincorporated population or the entire county population.

If a county elects to use census geographic area information that is specific to the unincorporated areas benefitting from the application activities, the county must submit the following information:

- a written request to use the most current available decennial census geographic area information;
- AND**
- Census maps showing census tracts, or block numbering areas, and block groups (the census geographic area numbers must be legibly shown on these maps and the boundaries of the benefitting application target areas must be drawn on the Census maps) that are located within the boundaries of the application target areas.
- The TXCDBG will then, as accurately as possible, provide the Community Distress census information that coincides with the census geographic areas located within the boundaries of application target areas.

MULTI- JURISDICTION APPLICATIONS

For multi-jurisdiction applications, the data used for Community Distress scoring is based on a combination of the data for all of the participating jurisdictions.

DATA SOURCES

Percentage of Poverty Persons - Source: Current Available Decennial Census, SF 3

Per Capita Income - Source: Current Available Decennial Census, SF 3

Unemployment Rate - Source: Texas Workforce Commission Labor Force Estimates for Texas
Counties – Current Available Annual Average Data

Unemployment Rates used for incorporated cities will be based on the county unemployment rate where the city is located. If a city's corporate city limits are located within more than one county, the rate used will be either the county rate where the project beneficiaries are located or the county rate where the majority of the city's Census civilian labor force is located.

SCORING METHODOLOGY

Each applicant's Community Distress scores will be calculated using a base figure that is equal to 125 percent of the average of the rates on each Community Distress factor for all applicants within the region or fund category. For per capita income, the base figure equals 75 percent of the average. All applicants with rates greater than or equal to the base figure (less than or equal to for per capita income) will receive the maximum points. All other applicants will receive a proportional share of the maximum points. EXAMPLES:

Percentage Of Poverty Persons (Maximum Points 25)

<u>Applicant</u>	<u>Poverty Rate</u>	<u>Poverty Factor</u>	<u>Score</u>
Goodtime	.1960	.5925	14.81
Waterslide	.4096	1.2382	25.00
Dry Bones	.2276	.6880	17.20
Rationton	.3760	1.1366	25.00
Welloff	.1143	.3455	8.64

Average = $1.3235 / 5 = .2647$

Base Figure = $1.25 \times \text{Average} = .3308$

Per Capita Income (Maximum Points 20)

<u>Applicant</u>	<u>PC Income</u>	<u>PCI Factor</u>	<u>Score</u>
Goodtime	\$8,000	.7013	14.03
Waterslide	\$6,100	.9197	18.39
Dry Bones	\$7,200	.7792	15.58
Rationton	\$6,300	.8905	17.81
Welloff	\$9,800	.5724	11.45

Average = $\$37,400 / 5 = \$7,480$

Base Figure = $0.75 \times \text{Average} = \$5,610$

METHODOLOGY FOR BENEFIT TO LOW/MODERATE INCOME PERSONS SCORING

COMMUNITY DEVELOPMENT FUND

The following formula is used to calculate the percentage of TXCDBG funds benefitting low/moderate income persons:

$$\frac{\text{Low/mod Percentage For Each Activity} \times (\text{TXCDBG Funds For Each Construction, Acquisition, and Engineering Activity})}{\text{Divided by Total TXCDBG Requested Minus TXCDBG Funds Budgeted For Administration Activities}}$$

Example - A city applies for \$250,000 of TXCDBG funds for a water well, water distribution lines, acquisition for the water well, engineering and administration. The city has budgeted \$25,000 of TXCDBG funds for engineering, \$10,000 for the water well and \$15,000 for the distribution lines. Table 1 of this application looks like this:

A	B	C	D	E	F	G	H	I
1a.	Water Facilities	1	1000	560	56%	\$80,000	\$25,000	\$105,000
1a.	Water Facilities	1	100	80	80%	\$120,000		\$120,000
24	Acquisition	1	1000	560	56%	\$5,000		\$5,000
30	Engineering	1				\$25,000		\$25,000
32	Administration	1				\$20,000		\$20,000

The percentage of TXCDBG funds benefitting low and moderate income persons for this application is calculated like this:

A	B	C	D	E	F	G	TXCDBG Funds Benefitting Low/Mod
1a.	Water Facilities	1	1000	560	56%	\$80,000	\$44,800
1a.	Water Facilities	1	100	80	80%	\$120,000	\$96,000
24	Acquisition	1	1000	560	56%	\$5,000	\$2,800
30	Engineering	1	1000	560	56%	\$10,000	\$5,600
30	Engineering	1	100	80	80%	\$15,000	\$12,000
TOTALS						\$230,000	\$161,200

The percentage of TXCDBG funds benefitting low and moderate income persons is 70.09% (\$161,200/\$230,000). The applicant is awarded the 40 points because the percentage of TXCDBG funds benefitting low and moderate income persons is greater than 60%.

falls within the 89.99% to 80% range on the point scale.

METHODOLOGY FOR MATCHING FUNDS SCORING

COMMUNITY DEVELOPMENT FUND

Under the Matching Funds factor, the percentage of matching funds committed by an applicant(s) is scored under one of four different population categories:

- The population category used for scoring an incorporated city applicant is based on the city's 2000 Census population.
- The population category used for scoring a county applicant may be based on the county's 2000 Census population, the county's 2000 Census unincorporated population, or the number of project beneficiaries.
- The population category(s) used for scoring a multi-jurisdiction application is explained in the following text.
- Applications, which include only eligible TXCDBG housing activities, receive the 60 points without providing any matching funds.

County Applications

The population category under which county applications are scored will depend on the project type and the beneficiary population served. If the project will benefit the entire county population (including incorporated areas), or the beneficiaries are based on a calculation which includes the entire county population (e.g., handicapped access), the total population of the county will be used to determine the population category under which the application will be scored.

Example #1 - A county has applied for \$250,000 of TXCDBG funds to make the county courthouse completely accessible to elderly and severely disabled persons. The total population of this county is 13,691 and the total unincorporated population is 4,659. The application would be scored within the above 5,000 population category based on the total county population of 13,691. The county would have to match the grant request with at least \$50,000 (20%) to receive the maximum 60 match points.

If the project beneficiaries are limited to an unincorporated area of the county with target area beneficiaries, the population category used to score the application will be based on the total unincorporated population for the entire county.

Example #2 - A county has applied for a \$250,000 grant to pave streets in an unincorporated community, which will benefit 230 persons. The total population of this county is 8,456 and the total unincorporated population is 3,215. The application would be scored within the under 5,001 but over 3,000 population category based on the total county unincorporated population of 3,215. The county would have to match the grant request with at least \$37,500 (15%) to receive the maximum 60 match points.

For county applications addressing only water and/or sewer improvements in unincorporated areas, the population category will be based on the actual number of beneficiaries to be served by the project activities.

Example #3 - The same county has instead applied for a \$250,000 grant to provide first-time public sewer service in an unincorporated community, which will benefit 230 persons. The total population of this county is 8,456 and the total unincorporated population is 3,215. The application would be scored within the under 1,501 population category because the actual number of beneficiaries served by the project is 230 persons. The county would have to match the grant request with at least \$12,500 (5%) to receive the maximum 60 match points.

Example #4 - The same county has instead applied for a multi-purpose \$250,000 grant to provide first-time public sewer service in an unincorporated community which will benefit 230 persons and street paving in a different unincorporated community which will benefit 85 persons. The total population of this county is 8,456 and the total unincorporated population is 3,215. The TXCDBG funds budgeted under each application activity are: Street Improvements \$120,000; Sewer Facilities \$80,000; Engineering Services \$25,000; and General Administration \$25,000.

The TXCDBG construction budget is \$200,000 (\$120,000 + \$80,000). The street paving is 60% (\$120,000/\$200,000) of the construction budget and the sewer activity is 40% (\$80,000/\$200,000) of the construction budget. The application would be scored based on a combination of population categories. The TXCDBG dollars budgeted for street paving would be scored within the under 5,001 but over 3,000 population category (total unincorporated population is 3,215). The TXCDBG dollars budgeted for the sewer improvements would be scored within the under 1,501 population category (actual beneficiaries are 230). The total matching funds needed to receive the maximum 60 points would be calculated this way:

Street Paving:	.60 X \$250,000	=	\$150,000 X .15	=	\$22,500
Sewer:	.40 X \$250,000	=	\$100,000 X .05	=	<u>\$ 5,000</u>
	Total Matching Funds Needed			=	\$27,500

The county would have to match the grant request with at least a total match of \$27,500 (11%) to receive the maximum 60 match points. (Note: TXCDBG dollars budgeted for acquisition activities will be included in the construction budget under this type of methodology. The TXCDBG acquisition dollars will be included under the construction budget activity for which the acquisition is necessary.)

Multi-Jurisdiction Applications

The population category under which multi-jurisdiction applications will be scored will be based on the combined populations of the participating applicants according to the 2000 census. The guidelines for determining the population category for county applications will also apply to multi-jurisdiction applications when a county or counties are participants in a multi-jurisdiction application.

Example #5 - City A and City B have applied for \$250,000 of TXCDBG funds to purchase and develop a landfill site that will be used by both applicants when completed. The total population of City A is 1,492 and the total population of City B is 1,308. The application would be scored within the under 3,001 but over 1,500 population category because the combined populations of the participating applicants is 2,800 persons (1,492 + 1,308). The participating applicants would have to match the grant request with at least \$25,000 (10%) to receive the maximum 60 match points.

Example #6 - City C and County D have applied for a \$250,000 grant to provide first-time public sewer service to persons residing within the corporate limits of City C and persons residing outside of the ETJ of City C. City C will provide sewer service to the residents of the unincorporated area outside its ETJ area and County D has agreed to participate in the application. The total population of City C

is 2,556. The total population of County D is 24,899 and the total unincorporated population is 6,667. The project includes 40 beneficiaries within the corporate limits and 60 beneficiaries in the unincorporated area for a total of 100 beneficiaries. The TXCDBG funds budgeted under each application activity are: Sewer Facilities \$210,000; Engineering Services \$20,000; and General Administration \$20,000.

The TXCDBG construction budget is \$210,000. The applicants have provided a Budget Justification which shows that 35% (\$73,500) of the construction budget is needed for the improvements within the corporate limits of City C and 65% (136,500) is needed for the County D area. The application would be scored based on a combination of population categories. The TXCDBG dollars budgeted for the sewer improvements inside City C would be scored within the under 3,001 but over 1,500 population category (total population is 2,556). The TXCDBG dollars budgeted for the sewer improvements in the County D area would be scored within the under 1,501 population category (actual beneficiaries are 60). The total matching funds needed to receive the maximum 60 points would be calculated this way:

Sewer	(City C)	.35 X \$250,000	=	\$ 87,500 X .10	=	\$ 8,750
Sewer	(County D)	.65 X \$250,000	=	\$162,500 X .05	=	<u>\$ 8,125</u>
		Total Matching Funds Needed			=	<u>\$16,875</u>

The applicants would have to match the grant request with at least a total match of \$16,875 (6.75%) to receive the maximum 60 match points. **(Note: In order to use this methodology, the Budget Justification must show the construction amounts budgeted for each of the separate beneficiary areas. If not provided by the applicants, then the population category used will be based on the combined total populations for city applicants and the total unincorporated population or total population for counties, depending on the project type.)**

Housing Rehabilitation and New Housing Construction Applications

- Applications for housing rehabilitation and for eligible affordable new housing construction for low and moderate income persons will receive the 60 points without including any matching funds. This exception is for housing activities only.
- Sewer or water service line/connections on private property are considered housing rehabilitation activities by the TXCDBG. **However, these activities are not counted as housing rehabilitation activities under this zero matching funds exception.**
- Demolition/clearance and code enforcement, when done in the same target area will be counted as part of the housing rehabilitation activity. When demolition/clearance and code enforcement are proposed without a housing activity, then the match score will still be based on the actual matching funds committed by the applicant compared to the total TXCDBG funds requested.

Example #7 - City E has applied for a \$200,000 grant, with no matching funds, to provide housing rehab, demolition/clearance, and code enforcement in a target area with 463 total beneficiaries and 87 estimated housing rehab beneficiaries. The City's total population is 6,363. The application would receive the maximum 60 match points because the demolition/clearance and code enforcement will take place in the housing rehab target area and will be counted as part of the housing rehab activity.

Example #8 - City E has instead applied for a \$200,000 grant, with \$40,000 in matching funds, to provide street paving, code enforcement, and demolition/clearance in a target area with 463 total beneficiaries and 73 estimated street paving beneficiaries. The City's total population is 6,363. The application would be scored within the above 5,000 population category based on the total city population of 6,363. The TXCDBG funds earmarked for code enforcement and demolition/clearance would be included as part of the total grant request because the demolition/clearance and code enforcement are not part of a housing rehab activity. The application would receive the maximum 60 match points because City E has provided a 20% match for the project (.20 X \$200,000 = \$40,000).

Applications, which include eligible housing activities under this exception and additional activities, other than related housing activities, will be scored based on the percentage of match provided for the additional activities.

Example #9 - City E has instead applied for a \$200,000 grant, with \$20,000 in matching funds, to provide street paving, housing rehab, code enforcement, and demolition/clearance in a target area with 463 total beneficiaries, 28 estimated housing rehab beneficiaries and 73 street paving beneficiaries. The City's total population is 6,363. The TXCDBG funds budgeted under each application activity are: Street Improvements \$80,000; Housing Rehab \$75,000; Demolition/Clearance \$10,000; Code Enforcement \$5,000; Engineering Services \$10,000; and General Administration \$20,000.

The TXCDBG construction/service budget is \$170,000 (\$80,000 for street paving + \$90,000 for housing rehab, demo/clearance and code enforcement). From the Budget Justification, the engineering (\$10,000) is totally earmarked for the street paving activity and will be counted as a part of that construction activity. The street paving budget is now \$90,000 (\$80,000 + \$10,000 for engineering). The street paving activity is 50% (\$90,000/\$180,000) of the construction/service budget and the housing rehab activities are 50% (\$90,000/\$180,000) of the construction/service budget. City E does not have to match the housing rehab activities. The street paving activity would be scored based on the above 5,000 population category (total city population is 6,363). The total matching funds needed to receive the maximum 60 points would be calculated this way:

Street Paving	.50 X \$200,000	=	\$100,000 X .20	=	\$20,000
Housing Rehab	.50 X \$200,000	=	\$100,000 X .00	=	\$ <u>0</u>
	Total Matching Funds Needed			=	\$20,000

The application would receive the maximum 60 match points because City E has provided \$20,000 match for the project.

APPENDIX VI

TXCDBG COMPLIANCE REQUIREMENTS

Applicants awarded TXCDBG Contract funds must comply with several key federal and state laws in the local administration of the program. To inform applicants in advance of these major statutory requirements, this section includes a brief description of those key laws and regulations that will affect project costs and/or the local time frame for construction activities.

1. Housing and Community Development Act of 1974, as amended

This law authorized the Community Development Block Grant program in 1974, and state administration of the non-entitlement program in 1981. This Act has been subsequently amended to include other requirements discussed below.

2. 24 CFR Part 570, Subpart I

Contains regulations governing state administration of Community Development Block Grant nonentitlement funds. Some of the state program requirements included in the regulations are eligible activity requirements, national program objectives requirements, citizen participation requirements, local government requirements, and program administrative requirements. The regulations also include conflict of interest provisions at 570.489 (h) that cover any person who is an employee, agent, consultant, officer, or elected official of the state or of a unit of general local government. The provisions basically state that none of these persons, who exercise or have exercised any function or responsibilities with respect to TXCDBG activities, or who are in a position to participate in a decision making process, or gain inside information regarding TXCDBG activities, may obtain a financial interest or benefit from the activity, or have interest in any contract, subcontract, or agreement, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure, or for one year thereafter.

3. Uniform Grant Management Standards (UGMS)

UGMS, developed under the directive of the Uniform Grant and Contract Management Act of 1981, Texas Civil Statutes, Article 4413 (32g), contains the federal requirements (including U.S. Office of Management and Budget (OMB) Circular A-87 and the text of the "Common Rule" of OMB Circular A-102) regarding uniform cost principles and administrative accounting, reporting, and auditing standards for local contract recipients. These include, but are not limited to, the following: Financial Management/Cost Allowability; Bonding and Insurance; Retention and Custodial Requirements for Records; Financial Reporting Requirements; Grant Payment Requirements; Grant Close-out; Property Management Standards; and Procurement Standards.

Standards for the procurement of professional services (administration, engineering, etc.) include the establishment of a system to ensure that equipment, material, and services are obtained as efficiently and economically as possible; that procurement is accomplished through an open and competitive process; and, that contracts are managed with good administrative practices and sound business judgment. Included are affirmative steps by a grantee to subgrantee to assure that minority firms, women's business enterprises and labor surplus area firms are used when possible.

Professional Services requests for proposals must be publicized and proposals must be solicited from an adequate number of qualified sources. The proposal package for professional services procurement must be made available and must specify what specific services are being solicited. Separate solicitation/contracts for general administration (or architectural) generally will also be required, unless prior written approval of the format is requested and received from ORCA. Documentation of all requests for proposal responses must be maintained. All professional service contracts must minimally meet the requirements included in TXCDBG's sample contract format, including, but not limited to, a detailed work summary, a cost schedule, and pricing format. Prior performance clauses will be disallowed in any TXCDBG-funded professional services contract. Existing or new retainer contracts will also generally be disallowed.

4. State of Texas' Professional Services Procurement Act (Texas Government Code, Chapter 2254)

Under this law, no state agency, county, municipality, district, authority, or publicly-owned utility shall make any contract for, or engage the professional services of any licensed architect, certified public accountant, land surveyor, or registered engineer, selected on the basis of competitive bids submitted for such contract or for such services to be performed, but shall select and award such contracts and engage such services on the basis of demonstrated competence and qualifications for the type of professional services to be performed and at fair and reasonable prices, as long as professional fees are consistent with and not higher than the published recommended practices and fees of the various applicable professional associations and do not exceed the maximum provided by any state law. The imposition of fees must be one factor considered by any agency in awarding a contract for such professional services; however, it cannot be the only factor considered.

5. Texas Engineering Practice Act (Article 3271a, VATS)

Requires a State-registered professional engineer be utilized for preparation of plans, specifications, estimates, and construction supervision for all public works projects of higher than \$8,000.

6. Article 249a, VATS

Requires that any person practicing architecture in the State of Texas must be registered with the Texas Board of Architectural Examiners.

7. National Environmental Policy Act (NEPA) of 1969 and HUD implementing regulations (24 CFR Part 58)

Requires all federally-funded projects to go through an environmental review procedure, defined by HUD, prior to release of TXCDBG Contract funds for construction. Additionally, construction costs cannot be incurred prior to the environmental clearance. HUD has defined these clearance procedures in the above-referenced regulations. Please note that most TXCDBG-funded projects will require a written environmental assessment, publication of appropriate public notices, and local/state comments periods (approximately 35 days) before ORCA can give written clearance to allow construction costs to be incurred.

8. Executive Order 11988, Floodplain Management, May 24, 1977 and Flood Disaster Protection Act of 1973, as amended

Requires all federally funded projects with habitable structures, publicly occupied structures, or critical structures located in the 100-year floodplain (500-year floodplain for critical structures) to comply with the eight-step guidelines set forth by the U.S. Water Resources

Council's Floodplain Management Guidelines (Fed. Reg., Feb. 10, 1978). Briefly, these guidelines include providing the public the opportunity for an early public review of the proposed project, holding a public hearing, considering alternatives, and publishing the findings and a public explanation. Please note that this requirement can be incorporated into the public hearing(s) on the application. The Flood Disaster Protection Act of 1974, as amended, requires that contractor localities with projects such as housing rehabilitation and/or public facilities located in the 100-year floodplain or special flood hazard area participate in the National Flood Insurance Program as a prerequisite to federal financial assistance.

9. The National Historic Preservation Act of 1966, as amended

Requires that properties that are on the National Register of Historic Places or potentially may be nominated for inclusion go through an architectural and historical review by the State Historic Preservation Officer (Texas Historical Commission).

10. Elimination of Architectural Barriers (Article 9102, Texas Revised Civil Statutes)

Requires that the plans and specifications for projects involving renovations or improvements to buildings or new construction of buildings having an estimated construction cost of \$50,000 or more be approved by the Texas Department of Licensing and Regulation.

11. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulation (49 CFR part 24)

Generally requires that federally defined procedures be followed in acquiring any real property and/or in relocating any households/businesses needing relocation as a result of TXCDBG funded activities. These procedures are fairly complex, but generally require payment of fair market value (established by a property appraisal) and reasonable benefits to affected persons. Please note that this law also covers all needed easements and rights-of-way.

12. Equal Employment Opportunity

There are several federal and state laws and executive orders that are designed to ensure equal opportunity in the use of TXCDBG contract funds in the following areas: program benefits, employment, fair housing, and the use of minority business enterprises.

13. Special Assessments Restrictions

As one of the recent amendments to the Housing and Community Development Act of 1974, localities generally are prohibited from levying special assessments (including service connections and tap-on fees) that could restrict the access of low to moderate income persons to a public facility/utility constructed with TXCDBG contract funds. When permitted by the TXCDBG, localities may levy special assessments against property owned and occupied by moderate income persons. This should especially be noted in the preparation of project budget estimates, as the cost of service connections and related fees on most types of public facilities projects need to be included to guarantee benefit to low to moderate income persons.

14. Davis Bacon and Related Acts

These federal laws establish the labor standards that must be followed in carrying out federally funded construction activities. These include, but are not limited to, the following:

Payment by construction contractors of the federally-determined (U.S. Department of Labor) prevailing wage rates to all construction workers and mechanics.

Payment of overtime (time and one-half the hourly rate of pay) to all construction workers working over forty hours a week.

Compliance with Fair Labor Standards Act requirements for all local government employees regarding overtime (time and one-half or compensatory time at the same rate for all overtime over 40 hours per week) for all non-exempt employees.

15. Texas Local Government Code Ann., Chapters 252 and 262

Requires that all public works projects of more than \$25,000 for a city, and more than \$25,000 for a County, contracted out by a locality (including materials purchase contracts for the same, using city/county employees for actual construction) must be awarded through the use of competitive bidding. Also stipulates a minimum 2-week public advertisement requirement.

16. The Single Audit Act of 1984 and Single Audit Act Amendments of 1996

Requires that state and local government recipients of federal financial assistance in excess of \$500,000 a year conduct an annual organization-wide audit in accordance with OMB Circular No. A-133. Additionally, each locality is required to have an approved federal or state "cognizant agency". This cognizant agency generally is the agency that has provided the locality with the largest percentage of federal funds.

17. Other Special Conditions

Depending on the type of project being funded, other federal/state requirements will be included in contracts. Major ones are:

Texas Natural Resource Conservation Commission review/approval of plans and specifications for all water and sewer projects, as needed.

Approval of a wastewater discharge permit or needed amendment by the Texas Natural Resource Conservation Commission on sewer projects, as needed.